

COMMITTEE REPORT(S)



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COUNCIL OF THE DISTRICT OF COLUMBIA
1350 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

BUDGET REPORT

TO: Members of the Council

FROM: David A. Clarke, Chairperson
Committee of the Whole

DATE: April 18, 1995

SUBJECT: Bill 11-159, the "Fiscal Year 1996 Budget Request Act of 1995"

The Committee of the Whole, to which this bill was referred, reports on the measure, and recommends its approval by the Council through approval of an amendment in the nature of a substitute. All dollar figures in this report are in thousands of dollars unless otherwise noted.

PURPOSE OF THIS BILL

Bill 11-159 establishes the proposed operating expenditures and capital projects authority for the District for Columbia for Fiscal Year 1995. Bill 11-159 also indicates the authorized level of the Federal Payment. Bill 11-159 is the result of a compilation of the actions of the Council's Standing Committees, transfers made by those Committees and action of the Council's Committee of the Whole.

CAPSULE LEGISLATIVE HISTORY

March 8, 1995	Bill 11-159 transmitted to the Council by the Mayor
March 8, 1995	Bill 11-159 introduced by Chairman David A. Clarke at the request of the Mayor
March 8, 1995	Bill 11-159 referred to the Committee of the Whole
March 10, 1995	Committee of the Whole briefing on the FY 1996 Budget Request by the Chief Financial Officer
March 14, through April 3, 1995	Committee public hearings on Bill 11-159
March 25, 1995	Notice of introduction of Bill 11-159 published in the <u>D.C. Register</u>
April 4 through April 12, 1995	Mark-up of agency budget recommendations by the Standing Committees
April 18, 1995	Committee of the Whole mark-up of Bill 11-159
April 18, 1995	Scheduled Council vote and adoption of Bill 11-159, as amended, at an additional legislative meeting

BACKGROUND AND NEED FOR THIS BILL

General

Section 442(c) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973, (87 Stat. 798; D. C. Code, sec. 47-301(c)), allows the Mayor to submit to the Council proposed supplemental or deficiency budget recommendations which are, in his or her judgment, necessary to address the fiscal impact of laws enacted subsequent to the transmission to the Congress of a given fiscal year's budget, or otherwise, in the public interest.

Congressional Action Approving the Financial Responsibility & Management Assistance Authority

The Congress acted to establish a Financial Responsibility & Management Assistance Authority for the District. As a part of that action, Congress suspended the requirement that the District balance its budget for fiscal years 1995 through 1998.

THE MAYOR'S FISCAL YEAR 1996 BUDGET REQUEST AND REVENUE ESTIMATE

The Mayor's Fiscal Year 1996 Budget Request

In total, the Mayor's appropriated general fund Budget Request is \$3,408,458 which is \$13,155 less than the current Fiscal Year 1995 budget. The Mayor's Request for Fiscal Year 1996 is \$112,315 less than the Mayor's Fiscal Year 1995 Supplemental Request.

The specific agency changes proposed by the Mayor's Fiscal Year 1996 Budget Request are displayed in the following appropriations title summary table. The columns in the table are:

- (A) actual Fiscal Year 1993 Spending
- (B) actual Fiscal Year 1994 Spending
- (C) the Congressional Approval of the Fiscal Year 1995 Budget
- (D) the Fiscal Year 1995 Supplemental Budget Request of the Mayor
- (E) the Fiscal Year 1996 Budget Request of the Mayor
- (F=E-C) the difference between the Fiscal Year 1996 Request and the current Fiscal Year 1995 Budget
- (F=E-C) the difference between the Fiscal Year 1996 Request and the Mayor's Fiscal Year 1995 Supplemental Budget Request

AGENCY / LINE ITEM	(A) ACTUAL FY93	(B) ACTUAL FY94	(C) ORIGINAL 95	(D) MAYOR'S SUPP II 95	(E) MAYOR'S FY96	(F=E-C) CHANGE: FY96 FROM ORIGINAL 95	(G=E-D) CHANGE: FY96 FROM SUPP II 95
GOVT DIRECTION							
COUNCIL (AB)	7,800	8,385	9,256	8,758	8,758	-498	0
AUDITOR (AC)	950	975	1,043	1,021	1,057	14	36
ANC S (DX)	1,165	1,168	1,196	572	572	-624	0
MAYOR (AA)	1,232	1,481	1,269	1,270	1,250	-19	-20
SECRETARY (BA)	2,378	2,390	2,047	1,885	2,120	73	235
INSPECTOR GEN (AD)	1,332	1,348	1,289	1,020	736	-553	-284
COMMUNICATIONS (BB)	420	438	91	88	40	-51	-48
INTERGOV RELATS (BP)	1,209	2,075	881	761	703	-178	-58
CITY ADMIN (AE)	8,896	8,966	9,697	4,106	1,972	-7,725	-2,134
PERSONNEL (BE)	12,836	11,999	11,445	10,549	10,446	-999	-103
ADMIN SERVICES (AS)	37,739	27,656	13,507	28,642	28,666	15,159	24
CONTRACT APPEALS (AF)	574	654	665	587	614	-51	27
CHIEF FINANCIAL OFF (AT)	123	139	143	122	130	-13	8
BUDGET (BC)	1,472	1,166	1,102	918	906	-196	-12
FINANCIAL MANAG (BF)	15,094	14,816	13,294	14,282	21,017	7,723	6,735
FINANCE&REVENUE (CA)	21,245	22,591	22,831	21,721	25,070	2,239	3,349
ELECTIONS & ETHICS (DL)	2,924	2,617	2,697	2,642	2,687	-10	45
CAMPAIGN FINANCE (CJ)	991	1,025	1,057	997	1,046	-11	49
PERB (CG)	491	475	511	485	486	-25	1
EMPLOYEES APPEALS (CH)	1,458	1,657	1,792	1,604	1,509	-283	-95
COUNCIL OF GOVTS (EA)	400	400	400	400	400	0	0
STATEHOOD (CI)	0	119	150	9	0	-150	-9
GRANTS MANAGEMENT (BQ)	687	475	275	0	0	-275	0
HUMAN RESOURCES (HS)	0	396	1,067	529	0	-1,067	-529
TOTAL, GOVT DIRECTION	\$121,416	\$113,411	\$97,705	\$102,968	\$110,185	\$12,480	\$7,217
ECONOMIC DEVEL							
ECONOMIC DEVEL (ED)	895	2,163	2,274	1,895	1,725	-549	-170
PLANNING (BD)	2,937	2,874	3,223	2,723	2,320	-903	-403
OFFICE OF ZONING (BJ)	435	495	447	406	400	-47	-6
DHCD (DB)	8,152	16,454	6,031	5,151	5,183	-848	32
PUBLIC HOUSING (PH)	13,899	-1	10,968	10,346	8,500	-2,468	-1,846
BUS&ECON DEVEL (EN)	2,616	0	0	0	0	0	0
INTERNATIONAL (IB)	402	0	0	0	0	0	0
APPEALS & REVIEW (DK)	190	155	132	128	147	15	19
BRPA (DA)	282	295	459	366	483	24	117
CONSUMER®ULATORY (CR)	26,292	26,067	24,371	23,532	21,850	-2,521	-1,682
PUBLIC SERVICE COM (DH)	5,066	5,823	6,265	5,564	5,333	-932	-231
PEOPLES COUNSEL (DJ)	2,456	2,724	2,875	2,698	2,497	-378	-201
BANKING (BI)	531	400	516	272	258	-258	-14
TOURISIM (TK)	0	288	471	428	1,000	529	572
TOTAL, ECONOMIC DEVEL	\$64,153	\$57,737	\$58,032	\$53,509	\$49,696	\$-8,336	\$-3,813

AGENCY / LINE ITEM	(A) ACTUAL FY93	(B) ACTUAL FY94	(C) ORIGINAL 95	(D) MAYOR'S SUPP 11 95	(E) MAYOR'S FY96	(F=E-C) CHANGE: FY96 FROM ORIGINAL 95	(G=E-D) CHANGE: FY96 FROM SUPP11 95
SAFETY & JUSTICE							
POLICE DEPARTMENT (FA)	241,211	248,898	242,398	230,056	233,300	-9,098	3,244
FIRE DEPARTMENT (FB)	95,181	100,255	93,016	93,783	89,792	-3,224	-3,991
POLICE& FIRE RET (FD)	188,200	210,020	204,900	208,900	220,000	15,100	11,100
JUDGES RETIREMENT (FG)	4,300	4,971	5,100	5,200	4,700	-400	-500
COURT OF APPEALS (FM)	6,022	6,041	6,041	5,739	5,739	-302	0
SUPERIOR COURT (FC)	73,054	75,918	76,495	72,670	72,670	-3,825	0
DC COURT SYSTEM (FN)	24,839	29,953	33,383	31,715	31,715	-1,668	0
CORPORATION COUNSEL(CB)	13,494	14,303	14,107	13,461	13,637	-470	176
CLAIMS AND SUITS (ZC)	18,648	16,461	11,000	16,000	16,000	5,000	0
PUBLIC DEFENDER (FE)	7,030	7,444	7,638	7,850	7,402	-236	-448
PRETRIAL SERVICES (FF)	3,057	3,608	3,598	3,240	3,240	-358	0
CORRECTIONS (FL)	247,729	240,584	234,063	250,438	248,203	14,140	-2,235
PAROLE (DD)	6,283	6,183	5,659	5,632	5,600	-59	-32
NATIONAL GUARD (FK)	1,237	1,162	1,119	1,028	1,030	-89	2
EMERGENCY PREP (BN)	2,335	1,858	1,886	1,582	1,539	-347	-43
JUDICIAL DISABLS (DQ)	125	129	131	124	132	1	8
JUDICIAL NOMMS (DV)	6	35	89	87	80	-9	-7
CIVILIAN COMP (FH)	1,215	1,010	1,169	1,029	987	-182	-42
TOTAL, SAFETY & JUSTICE	\$933,966	\$968,833	\$941,792	\$948,534	\$955,766	\$13,974	\$7,232
PUBLIC EDUCATION							
PUBLIC SCHOOLS (GA)	515,334	546,422	542,682	510,821	510,821	-31,861	0
TEACHERS RETIREMENT(GX)	98,800	102,110	87,100	89,100	110,800	23,700	21,700
UNIVERSITY (GF)	67,735	66,449	60,348	52,272	54,772	-5,576	2,500
EDUCATIONAL LIC.(GH)	435	431	469	442	217	-252	-225
PUBLIC LIBRARY (CE)	19,789	21,625	22,475	20,309	21,335	-1,140	1,026
ARTS&HUMANITIES (BX)	3,379	3,271	3,328	1,725	1,725	-1,603	0
LAW SCHOOL (LS)	4,526	4,465	5,567	3,946	0	-5,567	-3,946
TOTAL, PUBLIC EDUCATION	\$709,998	\$744,773	\$721,969	\$678,615	\$699,670	\$-22,299	\$21,055
HUMAN SERVICES							
EMPLOYMENT SERVICES(CF)	30,323	33,695	29,320	21,900	21,877	-7,443	-23
HUMAN SERVICES (JA)	832,449	878,051	789,219	1,040,500	957,890	168,671	-82,610
RECREATION (HA)	28,381	24,823	26,026	26,026	30,545	4,519	4,519
AGING (BY)	13,419	13,602	14,085	13,693	13,631	-454	-62
DCGHL SUBSIDY (JC)	58,768	46,735	46,735	56,735	56,735	10,000	0
UNEMPLOYMENT COMP (BH)	8,359	9,630	7,944	7,944	12,444	4,500	4,500
DISABILITY COMP (BG)	26,623	28,867	20,800	26,800	26,800	6,000	0
HUMAN RIGHTS&MBOC (HM)	2,234	1,832	1,755	1,479	1,479	-276	0
LATINO AFFAIRS (BZ)	1,330	1,279	1,130	870	637	-493	-233
COMMISSION ON WOMEN(DP)	295	155	272	134	98	-174	-36
ENERGY OFFICE (JF)	1,525	1,358	1,483	376	0	-1,483	-376
TOTAL, HUMAN SERVICES	\$1,003,706	\$1,040,027	\$938,769	\$1,196,457	\$1,122,136	\$183,367	\$-74,321

AGENCY / LINE ITEM	(A) ACTUAL FY93	(B) ACTUAL FY94	(C) ORIGINAL 95	(D) MAYOR'S SUPP II 95	(E) MAYOR'S FY96	(F=E-C) CHANGE: FY96 FROM ORIGINAL 95	(G=E-D) CHANGE: FY96 FROM SUPP II 95
PUBLIC WORKS							
PUBLIC WORKS (PW)	93,151	100,772	76,175	85,700	81,337	5,162	-4,363
TAXICAB COMMISSION (TC)	1,478	1,552	1,480	1,316	1,090	-390	-226
TRANSIT COMMISSION(KC)	96	96	96	96	96	0	0
TRANSIT AUTHORITY (KE)	126,893	118,232	117,051	126,899	126,899	9,848	0
SCHOOL TRANSIT(KD)	4,376	4,192	4,345	3,845	3,845	-500	0
TOTAL, PUBLIC WORKS	\$225,994	\$224,844	\$199,147	\$217,856	\$213,267	\$14,120	\$-4,589
FINANCING&OTHER							
CONVENTION CENTER (ER)	13,250	12,512	12,850	5,175	5,575	-7,275	400
DEBT SERVICE (DS)	340,921	333,522	345,446	273,295	324,465	-20,981	51,170
SHORT TERM INTEREST(ZF)	0	3,022	5,000	11,500	9,698	4,698	-1,802
OPTICAL&DENTAL (DI)	4,161	3,586	3,312	1,656	0	-3,312	-1,656
PAY ADJUSTMENTS (PR)	0	0	25,448	-70,000	-70,000	-95,448	0
DCGH DEFICIT (JD)	0	0	10,000	0	0	-10,000	0
CONTRACTS RECISSION(SS)	366	0	0	0	0	0	0
TRAUMA FUND (TF)	4,574	0	0	0	0	0	0
INCENTIVE PAY (IP)	0	0	0	0	8,000	8,000	8,000
RAINY DAY FUND (RC)	0	0	22,508	22,508	0	-22,508	-22,508
CASH RESERVE (RF)	0	0	3,957	79,000	0	-3,957	-79,000
BOARDS RECISSION(BW)	0	0	0	-300	0	0	300
RESERVE FOR DEVEL(ZL)	0	0	22,600	0	0	-22,600	0
ADJUSTMENTS (ZZ)	0	0	-13,632	0	-20,000	-6,368	-20,000
TOTAL, FINANCING&OTHER	\$363,272	\$352,642	\$437,489	\$322,834	\$257,738	\$-179,751	\$-65,096
TOTAL, GENERAL FUND	\$3,422,505	\$3,502,267	\$3,394,903	\$3,520,773	\$3,408,458	\$13,155	\$-112,315
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Mayoral Revenue Estimate

In addition to the Budget Request of the Mayor, the Mayor transmitted a revenue estimate for Fiscal Year 1996 which sums to an amount of \$3,407,547.

The specific revenue source changes included in the Mayor's revenue estimate are displayed in the following revenue summary table. The columns in the table are:

- (A) the original Fiscal Year 1995 revenue estimate
- (B) the revised Fiscal Year 1995 revenue estimate
- (C) The Mayor's Fiscal Year 1996 revenue estimate
- (D=C-A) the net change from the original revenue estimate
- (E=C-B) the net change from the revised revenue estimate

REVENUE SOURCE	(A) CURRENT FY95	(B) REVISED FY95	(C) MAYOR'S FY96	(D=C-A) DIFFERENCE: MAYOR'S 96 FROM CURR 95	(E=C-B) DIFFERENCE: MAYOR'S 96 FROM REVISED 95
REAL PROPERTY TAXES	703,600	751,100	719,900	16,300	-31,200
PERSONAL PROPERTY TAXES	66,600	61,800	62,300	-4,300	500
PUBLIC SPACE/VAULT TAX	15,900	14,800	14,400	-1,500	-400
TOTAL, PROPERTY TAXES	\$786,100	\$827,700	\$796,600	\$10,500	\$-31,100
GENERAL SALES & USE TAX	470,200	461,200	466,300	-3,900	5,100
ALCOHOLIC BEVERAGE TAX	5,300	5,200	5,100	-200	-100
CIGARETTE TAX	24,300	20,800	20,200	-4,100	-600
MOTOR VEHICLE FUEL TAX	32,800	34,700	33,900	1,100	-800
MOTOR VEHICLE EXCISE TAX	25,500	27,500	27,500	2,000	0
HOTEL OCCUPANCY TAX	9,000	5,400	5,400	-3,600	0
TOTAL, SALES & USE	\$567,100	\$554,800	\$558,400	\$-8,700	\$3,600
INDIVIDUAL INCOME TAX	689,100	683,400	702,000	12,900	18,600
CORPORATION FRANCHISE	89,550	94,600	97,800	8,250	3,200
UNICORP BUS FRANCHISE	32,350	34,200	35,700	3,350	1,500
TOTAL, INCOME TAXES	\$811,000	\$812,200	\$835,500	\$24,500	\$23,300
INSURANCE TAX	33,192	33,200	34,055	863	855
PUB UTILITY GROSS RECPTS	141,800	142,000	145,400	3,600	3,400
TOLL TELLECOMM	42,200	41,400	42,400	200	1,000
HEALTH CARE PROVIDER	0	30,700	0	0	-30,700
INHERITANCE & ESTATE TAX	23,300	14,600	15,100	-8,200	500
DEED RECORDATION TAX	23,300	25,200	25,700	2,400	500
DEED TRANSFER TAX	22,800	22,300	22,900	100	600
ECONOMIC INTERESTS	1,000	300	300	-700	0
TOTAL, OTHER TAXES	\$287,592	\$309,700	\$285,855	\$-1,737	\$-23,845

REVENUE SOURCE	(A) CURRENT FY95	(B) REVISED FY95	(C) MAYOR'S FY96	(D=C-A) DIFFERENCE: MAYOR'S 96 FROM CURR 95	(E=C-B) DIFFERENCE: MAYOR'S 96 FROM REVISED 95
BUSINESS L & P	44,349	28,892	30,284	-14,065	1,392
NONBUSINESS L & P	18,466	20,140	21,164	2,698	1,024
TOTAL, L & P	\$62,815	\$49,032	\$51,448	\$-11,367	\$2,416
PARKING FINES	2,694	2,840	2,890	196	50
TRAFFIC FINES	49,029	45,901	45,900	-3,129	-1
TOTAL, FINES	\$51,723	\$48,741	\$48,790	\$-2,933	\$49
PARKING METERS	18,500	13,000	13,000	-5,500	0
OTHER CHARGES	50,362	48,790	56,489	6,127	7,699
TOTAL, SERVICE CHARGES	\$68,862	\$61,790	\$69,489	\$627	\$7,699
INTEREST INCOME	13,061	10,935	12,030	-1,031	1,095
UNCLAIMED PROPERTY	11,000	12,000	8,000	-3,000	-4,000
OTHER REVENUES	17,422	10,761	11,630	-5,792	869
LEGALIZED GAMBLING	53,459	69,800	69,800	16,341	0
SURPLUS PROPERTY	5,300	7,300	5	-5,295	-7,295
TOTAL, MISCELANEOUS	\$100,242	\$110,796	\$101,465	\$1,223	\$-9,331
FEDERAL PAYMENT	660,000	660,000	660,000	0	0
TOTAL, FEDERAL SOURCES	\$660,000	\$660,000	\$660,000	\$0	\$0
PENDING FEDERAL AUTHORITY	0	267,000	0	0	-267,000
TOTAL, PENDING AUTHORITY	\$0	\$267,000	\$0	\$0	\$-267,000
TOTAL, GENERAL FUND	\$3,395,434	\$3,701,759	\$3,407,547	\$12,113	\$-294,212
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SUMMARY OF STANDING COMMITTEE RECOMMENDATIONS

Budget of the Committees

The Standing Committees of the Council have reported to the COW net changes against the Mayor's mark for Fiscal Year 1996 of \$9,871 and totals \$3,418,329. The budget reports of the Standing Committees are attached to this report and are an integral part of this report.

The specific agency changes recommended by the Standing Committees are displayed in the following appropriations title summary table. The columns in the table are:

- (A) the revised Fiscal Year 1995 Budget Request
- (B) the Fiscal Year 1996 budget request of the Mayor
- (C) the Committee-recommended programatic changes to the Mayor's Fiscal Year 1996 budget level
- (D) the Committee-recommended pay reduction changes to the Mayor's Fiscal Year 1996 budget level
- (E=B+C+D) the resultant Committee Report level including pay reduction recommendation
- (F=B+C) the resultant Committee Report level without the pay reduction recommendations (programatic changes only)
- (G=E-B) the net change from the Mayor's mark recommended by the Committees including pay reduction recommendation
- (H=E-B) the net change from the Mayor's mark recommended by the Committees without the pay reduction recommendations (programatic changes only)

AGENCY / LINE ITEM	(A)	(B)	(C)	(D)	(E=B+C+D)	(F=B+C)	CHANGE OF COMMITTEE MARK:	
	SUPP 11 95	MAYOR'S FY96	COMM CHANGES TO MAYOR	COMM PAY CHANGES TO MAYOR	COMM REPORT W/PAY	COMM REPORT W/OUT PAY	(G=E-B) FROM MAYOR W/PAY	(H=E-C) FROM MAYOR W/OUT PAY
GOVT DIRECTION								
COUNCIL (AB)	8,758	8,758	-378	0	8,380	8,380	-378	-378
AUDITOR (AC)	1,021	1,057	0	0	1,057	1,057	0	0
ANC S (DX)	572	572	0	0	572	572	0	0
MAYOR (AA)	1,270	1,250	0	0	1,250	1,250	0	0
SECRETARY (BA)	1,885	2,120	0	0	2,120	2,120	0	0
INSPECTOR GEN (AD)	1,020	736	0	0	736	736	0	0
COMMUNICATIONS (BB)	88	40	0	0	40	40	0	0
INTERGOV RELATS (BP)	761	703	0	0	703	703	0	0
CITY ADMIN (AE)	4,106	1,972	0	0	1,972	1,972	0	0
PERSONNEL (BE)	10,549	10,446	-152	0	10,294	10,294	-152	-152
ADMIN SERVICES(AS)	28,642	28,666	-17,899	0	10,767	10,767	-17,899	-17,899
CONTRACT APPEALS (AF)	587	514	-7	0	507	607	-7	-7
CHIEF FINANCIAL OFF(AT)	122	130	0	0	130	130	0	0
BUDGET (BC)	918	906	0	0	906	906	0	0
FINANCIAL MANAG (BF)	14,282	21,017	-390	0	20,627	20,627	-390	-390
FINANCE&REVENUE (CA)	21,721	25,070	0	0	25,070	25,070	0	0
ELECTIONS & ETHICS(DL)	2,642	2,687	399	0	3,086	3,086	399	399
CAMPAIGN FINANCE (CJ)	997	1,046	-49	0	997	997	-49	-49
PERB (CG)	485	486	0	0	486	486	0	0
EMPLOYEES APPEALS (CH)	1,604	1,509	0	0	1,509	1,509	0	0
COUNCIL OF GOVTS (EA)	400	400	0	0	400	400	0	0
STATEHOOD (CI)	9	0	0	0	0	0	0	0
GRANTS MANAGEMENT (BQ)	0	0	0	0	0	0	0	0
HUMAN RESOURCES(HS)	529	0	0	0	0	0	0	0
TOTAL,GOVT DIRECTION	\$102,968	\$110,185	\$-18,476	\$0	\$91,709	\$91,709	\$-18,476	\$-18,476
ECONOMIC DEVEL								
ECONOMIC DEVEL (ED)	1,895	1,725	0	0	1,725	1,725	0	0
PLANNING (BD)	2,723	2,320	-351	0	1,969	1,969	-351	-351
OFFICE OF ZONING (BJ)	406	400	0	0	400	400	0	0
DHCD (DB)	5,151	5,183	0	0	5,183	5,183	0	0
PUBLIC HOUSING (PH)	10,346	8,500	0	0	8,500	8,500	0	0
EMPLOYMENT SERVICES(CF)	21,900	21,877	0	0	21,877	21,877	0	0
APPEALS & REVIEW (DK)	128	147	0	0	147	147	0	0
BRPA (DA)	366	483	-97	0	386	386	-97	-97
CONSUMER®ULATORY(CR)	23,532	21,850	0	0	21,850	21,850	0	0
PUBLIC SERVICE COM(DH)	5,564	5,333	0	0	5,333	5,333	0	0
PEOPLES COUNSEL (DJ)	2,698	2,497	0	0	2,497	2,497	0	0
BANKING (BI)	272	258	38	0	296	296	38	38
TOURISIM (TK)	428	1,000	0	0	1,000	1,000	0	0
TOTAL,ECONOMIC DEVEL	\$75,409	\$71,573	\$-410	\$0	\$71,163	\$71,163	\$-410	\$-410

AGENCY / LINE ITEM	(A) SUPP 11 95	(B) MAYOR'S FY96	(C) COMM CHANGES TO MAYOR	(D) COMM PAY CHANGES TO MAYOR	(E=B+C+D) COMM REPORT W/PAY	(F=B+C) COMM REPORT W/OUT PAY	CHANGE OF COMMITTEE MARK:	
							(G=E-B) FROM MAYOR W/PAY	(H=E-C) FROM MAYOR W/OUT PAY
SAFETY & JUSTICE								
POLICE DEPARTMENT (FA)	230,056	233,300	3,965	0	237,265	237,265	3,965	3,965
FIRE DEPARTMENT (FB)	93,783	89,792	0	-2,733	87,059	89,792	-2,733	0
POLICE& FIRE RET (FD)	208,900	220,000	0	0	220,000	220,000	0	0
JUDGES RETIREMENT (FG)	5,200	4,700	0	0	4,700	4,700	0	0
COURT OF APPEALS (FM)	5,739	5,739	651	0	6,390	6,390	651	651
SUPERIOR COURT (FC)	72,670	72,670	7,865	0	80,535	80,535	7,865	7,865
DC COURT SYSTEM (FN)	31,715	31,715	3,570	0	35,285	35,285	3,570	3,570
CORPORATION COUNSEL(CB)	13,461	13,637	0	0	13,637	13,637	0	0
CLAIMS AND SUITS (ZC)	16,000	16,000	-1,200	0	14,800	14,800	-1,200	-1,200
PUBLIC DEFENDER (FE)	7,850	7,402	300	0	7,702	7,702	300	300
PRETRIAL SERVICES (FF)	3,240	3,240	315	0	3,555	3,555	315	315
CORRECTIONS (FL)	250,438	248,203	-12,093	-8,225	227,885	236,110	-20,318	-12,093
PAROLE (DD)	5,632	5,600	0	-214	5,386	5,600	-214	0
NATIONAL GUARD (FK)	1,028	1,030	0	0	1,030	1,030	0	0
EMERGENCY PREP (BN)	1,582	1,539	-100	-39	1,400	1,439	-139	-100
JUDICIAL DISABLS (DQ)	124	132	0	-2	130	132	-2	0
JUDICIAL NOMMS (DV)	87	80	0	0	80	80	0	0
CIVILIAN COMP (FH)	1,029	987	-987	0	0	0	-987	-987
TOTAL, SAFETY & JUSTICE	\$948,534	\$955,766	\$2,286	\$-11,213	\$946,839	\$958,052	\$-8,927	\$2,286
PUBLIC EDUCATION								
PUBLIC SCHOOLS (GA)	510,821	510,821	0	-7,551	503,270	510,821	-7,551	0
TEACHERS RETIREMENT(GX)	89,100	110,800	0	0	110,800	110,800	0	0
UNIVERSITY (GF)	52,272	54,772	0	-3,971	50,801	54,772	-3,971	0
EDUCATIONAL LIC.(GH)	442	217	0	0	217	217	0	0
PUBLIC LIBRARY (CE)	20,309	21,335	0	-856	20,479	21,335	-856	0
ARTS&HUMANITIES (BX)	1,725	1,725	0	0	1,725	1,725	0	0
LAW SCHOOL (LS)	3,946	0	0	0	0	0	0	0
TOTAL, PUBLIC EDUCATION	\$678,615	\$699,670	\$0	\$-12,378	\$687,292	\$699,670	\$-12,378	\$0
HUMAN SERVICES								
HUMAN SERVICES (JA)	1,040,500	957,890	21,362	0	979,252	979,252	21,362	21,362
RECREATION (HA)	26,026	30,545	0	0	30,545	30,545	0	0
AGING (BY)	13,693	13,631	0	0	13,631	13,631	0	0
DCGHL SUBSIDY (JC)	56,735	56,735	0	0	56,735	56,735	0	0
UNEMPLOYMENT COMP (BH)	7,944	12,444	-2,444	0	10,000	10,000	-2,444	-2,444
DISABILITY COMP (BG)	26,800	26,800	-800	0	26,000	26,000	-800	-800
HUMAN RIGHTS&MBOC (HM)	1,479	1,479	0	0	1,479	1,479	0	0
LATINO AFFAIRS (BZ)	870	637	0	0	637	637	0	0
COMMISSION ON WOMEN(DP)	134	98	-98	0	0	0	-98	-98
ENERGY OFFICE (JF)	376	0	0	0	0	0	0	0
TOTAL, HUMAN SERVICES	\$1,174,557	\$1,100,259	\$18,020	\$0	\$1,118,279	\$1,118,279	\$18,020	\$18,020

AGENCY / LINE ITEM	(A)	(B)	(C)	(D)	(E=B+C+D)	(F=B+C)	CHANGE OF COMMITTEE MARK:	
	SUPP 11 95	MAYOR'S FY96	COMM CHANGES TO MAYOR	COMM PAY CHANGES TO MAYOR	COMM REPORT W/PAY	COMM REPORT W/OUT PAY	(G=E-B) FROM MAYOR W/PAY	(H=E-C) FROM MAYOR W/OUT PAY
PUBLIC WORKS								
PUBLIC WORKS (PW)	85,700	81,337	9,126	0	90,463	90,463	9,126	9,126
TAXICAB COMMISSION (TC)	1,316	1,090	0	0	1,090	1,090	0	0
TRANSIT COMMISSION(KC)	96	96	0	0	96	96	0	0
TRANSIT AUTHORITY (KE)	126,899	126,899	0	0	126,899	126,899	0	0
SCHOOL TRANSIT(KD)	3,845	3,845	0	0	3,845	3,845	0	0
TOTAL, PUBLIC WORKS	\$217,856	\$213,267	\$9,126	\$0	\$222,393	\$222,393	\$9,126	\$9,126
FINANCING&OTHER								
CONVENTION CENTER (ER)	5,175	5,575	-175	0	5,400	5,400	-175	-175
DEBT SERVICE (DS)	273,295	324,465	0	0	324,465	324,465	0	0
SHORT TERM INTEREST(ZF)	11,500	9,698	0	0	9,698	9,698	0	0
OPTICAL&DENTAL (DI)	1,656	0	0	0	0	0	0	0
PAY ADJUSTMENTS (PR)	-70,000	-70,000	0	23,591	-46,409	-70,000	23,591	0
DCGH DEFICIT (JD)	0	0	0	0	0	0	0	0
INCENTIVE PAY (IP)	0	8,000	0	0	8,000	8,000	0	0
RAINY DAY FUND (RC)	22,508	0	0	0	0	0	0	0
CASH RESERVE (RF)	79,000	0	0	0	0	0	0	0
BOARDS RECISSION(BW)	-300	0	-500	0	-500	-500	-500	-500
RESERVE FOR DEVEL(ZL)	0	0	0	0	0	0	0	0
ADJUSTMENTS (ZZ)	0	-20,000	0	0	-20,000	-20,000	0	0
TOTAL, FINANCING&OTHER	\$322,834	\$257,738	\$-675	\$23,591	\$280,654	\$257,063	\$22,916	\$-675
TOTAL, GENERAL FUND	\$3,520,773	\$3,408,458	\$9,871	\$0	\$3,418,329	\$3,418,329	\$9,871	\$9,871
=====	=====	=====	=====	==	=====	=====	=====	=====

COW REVENUE

The Committee of the Whole held a public hearing on Tuesday, March 21, 1995 on the revenues estimated to finance the revised Fiscal Year 1995 and Fiscal Year 1996 General Fund operating budgets.

Mayor's Estimates

The Mayor's proposed Fiscal Year 1996 budget as submitted March 8, 1995 includes "Grand Total General Fund" revenues of \$3,407,547.

The Mayor's budget includes only one proposed revenue change that would require legislative action: to repeal the Provider Tax in FY 1996 (and subsequent years), which would have a fiscal impact of \$30.7 million.

The District of Columbia Auditor, in a report dated March 14, 1995, questioned the Mayor's revenue estimates for: (1) real property taxes; (2) individual income taxes; (3) general sales and use taxes; and (4) the Federal payment. The real property tax and Federal payment revenues will be discussed shortly. As for the individual income and the general sales and use tax estimates, the Auditor questioned the economic assumptions underlying the estimates -- questioning the rate of increase in both tax categories.

By letter dated March 27, 1995 the Interim Chief Financial Officer submitted to Chairman Clarke detailed information prepared by the Department of Finance and Revenue responding to the Auditor's assertions. The Executive notes that the economies of the nation and of the Washington region continue to be healthy; that the Mayor's estimates incorporate expected drops in the District government's payroll and a dampening of the increase in the federal payroll; and that administrative and legislative changes over the past year have effected revenue increases in the income, sales, and use tax categories. The Executive also stated, regarding the income tax, that "despite the loss of population during the last several years the individual income tax revenues for FY 1994 were 4.5% above those in FY 1993 on a cash basis and 7.3% above FY 1992. This is possible because the amount of taxable income has risen (in spite of the drop in population) because the income growth is at higher income levels which are taxed at the highest income tax rate." Accordingly, the Committee accepts the Mayor's estimates regarding the individual income and the general sales and use taxes.

The Auditor also questioned the Federal payment in light of penalty provisions in the FY 1995 budget as enacted on September 30, 1994 (P.L. 103-334). These penalty provisions would have resulted from FY 1995 spending exceeding the Congressionally approved level. However, the recently adopted District of Columbia Financial Responsibility and Management Assistance Act of 1995 (P.L. 104-8) eliminates the penalty provisions that would have affected the Federal payment. Therefore, the Committee accepts the Mayor's projected FY 1996 \$660 million Federal payment as reliable.

In light of the testimony presented at the Committee's public hearing, the answers to detailed questions provided by the Executive regarding the revenues, and Auditor's report with the Executive's responses thereto, the Committee determines that the Mayor's revenue estimates are reliable.

Committee Recommendations

The Committee recommends that the Mayor's revenue estimates be accepted with three exceptions: two tax sources -- the real property tax and the health care provider fee (also known as the provider tax) -- and a transfer into the appropriation from the Insurance Regulatory Trust Fund.

Real Property Tax: the Mayor has recommended that the property tax rates for FY 1996 be the same as the calculated rates for FY 1995 which went into effect on December 15, 1994. However, the Committee recommends that the Council maintain the rates at approximately the same levels applicable in FY 1994 -- a decrease for all but class 3 from the current rates and also a decrease from the currently estimated FY 1996 calculated rates (which are projected to be \$0.97 for Class 1, \$1.64 for Class 2, \$1.86 for Class 3, \$2.47 for Class 4, and \$5.55 for Class 5).

The effect of this rate change would be to reduce the real property tax revenues supporting the FY 1996 budget by \$34 million. Since the District of Columbia Auditor's concern about FY 1996 real property tax revenues was premised on recent legislative actions, the Committee's recommendation now resolves this concern.

Compared to tax year 1991, total annual real property tax revenues will have dropped by some \$116 million. In sum, the Committee recommends that the revenues derived from the real property tax be decreased by \$34 million from the Mayor's estimate, to a total of \$685.9 million in Fiscal Year 1996.

Health Care Provider Fee: Regarding the health care provider fee, the Committee recommends a change in pending authority that will provide \$7.5 million in Fiscal Year 1996 that was not in the Mayor's March 8th budget submission. This Committee change is in response to legislation submitted by the Mayor on April 4, 1995. The effect of this change would be to reduce FY 1995 revenues from this source and spread liability for the fee over two years -- 1995 and 1996.

Insurance Trust Fund Transfer: The Insurance Regulatory Trust Fund Act of 1993, D.C. Law 10-40, established a revenue source directly funding the Insurance Administration within the Department of Consumer and Regulatory Affairs. The Committee of the Whole accepts the recommendation of the Committee on Consumer and Regulatory Affairs that in FY 1996 \$800 thousand can be transferred from the trust fund to the General Fund to offset the General Fund expenditures (through the Department of Public Works) related to enforcement of the District's no-fault insurance program. This has the effect of increasing appropriated revenues by \$800 thousand.

Conclusion

The Committee recommends revenue of \$3,381,847 to finance the Fiscal Year 1996 General Fund budget. This is a net decrease of \$25.7 million from the Mayor's proposed budget -- which would be the result of changes to the real property tax (-\$34,000), health care provider fee (+\$7,500), and the Insurance Regulatory Trust Fund (+\$800).

The following summary table displays the COW revenue estimate. The columns in the table are:

- (A) the Fiscal Year 1995 Supplemental Estimate
- (B) the Mayor's Fiscal Year 1996 Estimate
- (C) the COW estimate for Fiscal Year 1996
- (D=C-B) the difference between the COW estimate and the Mayor's

REVENUE SOURCE	(A) REVISED FY95	(B) MAYOR'S FY96	(C) COW FY96 ESTIMATE	(D=C-B) DIFFERENCE COW FROM MAYOR
REAL PROPERTY TAXES	751,100	719,900	685,900	-34,000
PERSONAL PROPERTY TAXES	61,800	62,300	62,300	0
PUBLIC SPACE/VAULT TAX	14,800	14,400	14,400	0
TOTAL, PROPERTY TAXES	\$827,700	\$796,600	\$762,600	\$-34,000
GENERAL SALES & USE TAX	461,200	466,300	466,300	0
ALCOHOLIC BEVERAGE TAX	5,200	5,100	5,100	0
CIGARETTE TAX	20,800	20,200	20,200	0
MOTOR VEHICLE FUEL TAX	34,700	33,900	33,900	0
MOTOR VEHICLE EXCISE TAX	27,500	27,500	27,500	0
HOTEL OCCUPANCY TAX	5,400	5,400	5,400	0
TOTAL, SALES & USE	\$554,800	\$558,400	\$558,400	\$0
INDIVIDUAL INCOME TAX	583,400	702,000	702,000	0
CORPORATION FRANCHISE	94,600	97,800	97,800	0
UNICORP BUS FRANCHISE	34,200	35,700	35,700	0
TOTAL, INCOME TAXES	\$812,200	\$835,500	\$835,500	\$0
INSURANCE TAX	33,200	34,055	34,055	0
PUB UTILITY GROSS RECPTS	142,000	145,400	145,400	0
TOLL TELLECOMM	41,400	42,400	42,400	0
HEALTH CARE PROVIDER	30,700	0	7,500	7,500
INHERITANCE & ESTATE TAX	14,600	15,100	15,100	0
DEED RECORDATION TAX	25,200	25,700	25,700	0
DEED TRANSFER TAX	22,300	22,900	22,900	0
ECONOMIC INTERESTS	300	300	300	0
TOTAL, OTHER TAXES	\$309,700	\$285,855	\$293,355	\$7,500

REVENUE SOURCE	(A) REVISED FY95	(B) MAYOR'S FY96	(C) COW FY96 ESTIMATE	(D=C-B) DIFFERENCE COW FROM MAYOR
BUSINESS L & P	28,892	30,284	30,284	0
NONBUSINESS L & P	20,140	21,164	21,164	0
TOTAL, L & P	\$49,032	\$51,448	\$51,448	\$0
PARKING FINES	2,840	2,890	2,890	0
TRAFFIC FINES	45,901	45,900	45,900	0
TOTAL, FINES	\$48,741	\$48,790	\$48,790	\$0
PARKING METERS	13,000	13,000	13,000	0
OTHER CHARGES	48,790	56,489	56,489	0
TOTAL, SERVICE CHARGES	\$61,790	\$69,489	\$69,489	\$0
INTEREST INCOME	10,935	12,030	12,030	0
UNCLAIMED PROPERTY	12,000	8,000	8,000	0
OTHER REVENUES	10,761	11,630	11,630	0
LEGALIZED GAMBLING	59,800	69,800	69,800	0
SURPLUS PROPERTY	7,300	5	5	0
INSURANCE TRANSFER	0	0	800	800
TOTAL, MISCELANEOUS	\$110,796	\$101,465	\$102,265	\$800
FEDERAL PAYMENT	660,000	660,000	660,000	0
TOTAL, FEDERAL SOURCES	\$660,000	\$660,000	\$660,000	\$0
PENDING FEDERAL AUTH	267,000	0	0	0
TOTAL, PENDING AUTHORITY	\$267,000	\$0	\$0	\$0
TOTAL, GENERAL FUND =====	\$3,701,759 =====	\$3,407,547 =====	\$3,381,847 =====	\$-25,700 =====

COW Appropriated Budget

Except as hereinafter specifically noted, the Committee accepts the recommendations of the standing Committees as noted in the earlier discussion of the Standing Committee actions.

The specific COW changes to the levels accepted from the Standing Committees two. First, to reduce the Department of Human Services budget by \$24,015. These funds were added to the Department by the Committee on Human Services as a result of the Committee's recommendation to defer \$82 million in Medicaid expenses from Fiscal Year 1995 to 1996. The COW, in its action on the Fiscal Year 1995 Supplemental chose to reverse that decision to defer these costs. Therefore, the \$24,015 addition in Fiscal Year 1996 is no longer necessary.

Secondly, on the recommendation of the Committee on Education, the COW reduces the Teachers, police & fire retirement pay-as-you-go lines by \$5,000 to reflect adoption of legislation which will consolidate the cost of living raises from two per year to one.

The additional changes recommended by the COW, when combined with the actions of the Standing Committees, would produce an expenditure level of \$3,389,364. This expenditure level is \$7,517 greater than the COW revenue estimate discussed earlier in this report.

The agency-specific budget recommendation of the COW is displayed in the appropriations title summary table which follows. The columns in the table are:

- (A) the Mayor's Fiscal Year 1995 Budget Supplemental Request
- (B) the Fiscal Year 1996 Budget request of the Mayor
- (C) the Committee-recommended programatic changes to the Mayor's budget request level

- (e) the Committee-recommended pay reduction changes to the Mayor's budget request level
- $(E=B+C+D)$ the Committee-recommended budget level
- (F) other changes recommended by the COW
- $(F=E+F)$ the resultant COW budget
- (G) the amount the resultant COW differs from the Mayor's request

AGENCY / LINE ITEM	(A) SUPP II 95	(B) MAYOR'S FY96	(C) COMM CHANGES TO MAYOR	(D) COMM PAY CHANGES TO MAYOR	(E=B+C+D) COMM REPORT W/PAY	(F) COW CHANGES	(G=E+F) COW MARK	(H=G-B) CHANGE COW FROM MAYOR
GOVT DIRECTION								
COUNCIL (AB)	8,758	8,758	-378	0	8,380	0	8,380	-378
AUDITOR (AC)	1,021	1,057	0	0	1,057	0	1,057	0
ANC S (DX)	572	572	0	0	572	0	572	0
MAYOR (AA)	1,270	1,250	0	0	1,250	0	1,250	0
SECRETARY (BA)	1,885	2,120	0	0	2,120	0	2,120	0
INSPECTOR GEN (AD)	1,020	736	0	0	736	0	736	0
COMMUNICATIONS (BB)	88	40	0	0	40	0	40	0
INTERGOV RELATS (BP)	761	703	0	0	703	0	703	0
CITY ADMIN (AE)	4,106	1,972	0	0	1,972	0	1,972	0
PERSONNEL (BE)	10,549	10,446	-152	0	10,294	0	10,294	-152
ADMIN SERVICES(AS)	28,642	28,666	-17,899	0	10,767	0	10,767	-17,899
CONTRACT APPEALS (AF)	587	614	-7	0	607	0	607	-7
CHIEF FINANCIAL OFF(AT)	122	130	0	0	130	0	130	0
BUDGET (BC)	918	906	0	0	906	0	906	0
FINANCIAL MANAG (BF)	14,282	21,017	-390	0	20,627	0	20,627	-390
FINANCE&REVENUE (CA)	21,721	25,070	0	0	25,070	0	25,070	0
ELECTIONS & ETHICS(DL)	2,642	2,687	399	0	3,086	0	3,086	399
CAMPAIGN FINANCE (CJ)	997	1,046	-49	0	997	0	997	-49
PERB (CG)	485	486	0	0	486	0	486	0
EMPLOYEES APPEALS (CH)	1,604	1,509	0	0	1,509	0	1,509	0
COUNCIL OF GOVTS (EA)	400	400	0	0	400	0	400	0
STATEHOOD (CI)	9	0	0	0	0	0	0	0
GRANTS MANAGEMENT (BQ)	0	0	0	0	0	0	0	0
HUMAN RESOURCES(HS)	529	0	0	0	0	0	0	0
TOTAL,GOVT DIRECTION	\$102,968	\$110,185	\$-18,476	\$0	\$91,709	\$0	\$91,709	\$-18,476
ECONOMIC DEVEL								
ECONOMIC DEVEL (ED)	1,895	1,725	0	0	1,725	0	1,725	0
PLANNING (BD)	2,723	2,320	-351	0	1,969	0	1,969	-351
OFFICE OF ZONING (BJ)	406	400	0	0	400	0	400	0
DHCD (DB)	5,151	5,183	0	0	5,183	0	5,183	0
PUBLIC HOUSING (PH)	10,346	8,500	0	0	8,500	0	8,500	0
EMPLOYMENT SERVICES(CF)	21,900	21,877	0	0	21,877	0	21,877	0
APPEALS & REVIEW (DK)	128	147	0	0	147	0	147	0
BRPA (DA)	366	483	-97	0	386	0	386	-97
CONSUMER®ULATORY(CR)	23,532	21,850	0	0	21,850	0	21,850	0
PUBLIC SERVICE COM(DH)	5,564	5,333	0	0	5,333	0	5,333	0
PEOPLES COUNSEL (DJ)	2,698	2,497	0	0	2,497	0	2,497	0
BANKING (BI)	272	258	38	0	296	0	296	38
TOURISIM (TK)	428	1,000	0	0	1,000	0	1,000	0
TOTAL,ECONOMIC DEVEL	\$75,409	\$71,573	\$-410	\$0	\$71,163	\$0	\$71,163	\$-410

AGENCY / LINE ITEM	(A) SUPP 11 95	(B) MAYOR'S FY96	(C) COMM CHANGES TO MAYOR	(D) COMM PAY CHANGES TO MAYOR	(E=B+C+D) COMM REPORT W/PAY	(F) COW CHANGES	(G=E+F) COW MARK	(H=G-B) CHANGE COW FROM MAYOR
SAFETY & JUSTICE								
POLICE DEPARTMENT (FA)	230,056	233,300	3,965	0	237,265	0	237,265	3,965
FIRE DEPARTMENT (FB)	93,783	89,792	0	-2,733	87,059	0	87,059	-2,733
POLICE& FIRE RET (FD)	208,900	220,000	0	0	220,000	-3,325	216,675	-3,325
JUDGES RETIREMENT (FG)	5,200	4,700	0	0	4,700	0	4,700	0
COURT OF APPEALS (FM)	5,739	5,739	651	0	6,390	0	6,390	651
SUPERIOR COURT (FC)	72,670	72,670	7,865	0	80,535	0	80,535	7,865
DC COURT SYSTEM (FN)	31,715	31,715	3,570	0	35,285	0	35,285	3,570
CORPORATION COUNSEL(CB)	13,461	13,637	0	0	13,637	0	13,637	0
CLAIMS AND SUITS (ZC)	16,000	16,000	-1,200	0	14,800	0	14,800	-1,200
PUBLIC DEFENDER (FE)	7,850	7,402	300	0	7,702	0	7,702	300
PRETRIAL SERVICES (FF)	3,240	3,240	315	0	3,555	0	3,555	315
CORRECTIONS (FL)	250,438	248,203	-12,093	-8,225	227,885	0	227,885	-20,318
PAROLE (DD)	5,632	5,600	0	-214	5,386	0	5,386	-214
NATIONAL GUARD (FK)	1,028	1,030	0	0	1,030	0	1,030	0
EMERGENCY PREP (BN)	1,582	1,539	-100	-39	1,400	0	1,400	-139
JUDICIAL DISABLS (DQ)	124	132	0	-2	130	0	130	-2
JUDICIAL NOMMS (DV)	87	80	0	0	80	0	80	0
CIVILIAN COMP (FH)	1,029	987	-987	0	0	0	0	-987
TOTAL, SAFETY & JUSTICE	\$948,534	\$955,766	\$2,286	\$-11,213	\$946,839	\$-3,325	\$943,514	\$-12,252
PUBLIC EDUCATION								
PUBLIC SCHOOLS (GA)	510,821	510,821	0	-7,551	503,270	0	503,270	-7,551
TEACHERS RETIREMENT(GX)	89,100	110,800	0	0	110,800	-1,625	109,175	-1,625
UNIVERSITY (GF)	52,272	54,772	0	-3,971	50,801	0	50,801	-3,971
EDUCATIONAL LIC.(GH)	442	217	0	0	217	0	217	0
PUBLIC LIBRARY (CE)	20,309	21,335	0	-856	20,479	0	20,479	-856
ARTS&HUMANITIES (BX)	1,725	1,725	0	0	1,725	0	1,725	0
LAW SCHOOL (LS)	3,946	0	0	0	0	0	0	0
TOTAL, PUBLIC EDUCATION	\$678,615	\$699,670	\$0	\$-12,378	\$687,292	\$-1,625	\$685,667	\$-14,003
HUMAN SERVICES								
HUMAN SERVICES (JA)	1,040,500	957,890	21,362	0	979,252	-24,015	955,237	-2,653
RECREATION (HA)	26,026	30,545	0	0	30,545	0	30,545	0
AGING (BY)	13,693	13,631	0	0	13,631	0	13,631	0
DCGHL SUBSIDY (JC)	56,735	56,735	0	0	56,735	0	56,735	0
UNEMPLOYMENT COMP (BH)	7,944	12,444	-2,444	0	10,000	0	10,000	-2,444
DISABILITY COMP (BG)	26,800	26,800	-800	0	26,000	0	26,000	-800
HUMAN RIGHTS&MBOC (HM)	1,479	1,479	0	0	1,479	0	1,479	0
LATINO AFFAIRS (BZ)	870	637	0	0	637	0	637	0
COMMISSION ON WOMEN(DP)	134	98	-98	0	0	0	0	-98
ENERGY OFFICE (JF)	376	0	0	0	0	0	0	0
TOTAL, HUMAN SERVICES	\$1,174,557	\$1,100,259	\$18,020	\$0	\$1,118,279	\$-24,015	\$1,094,264	\$-5,995

AGENCY / LINE ITEM	(A) SUPP 11 95	(B) MAYOR'S FY96	(C) COMM CHANGES TO MAYOR	(D) COMM PAY CHANGES TO MAYOR	(E=B+C+D) COMM REPORT W/PAY	(F) COW CHANGES	(G=E+F) COW MARK	(H=G-B) CHANGE COW FROM MAYOR
PUBLIC WORKS								
PUBLIC WORKS (PW)	85,700	81,337	9,126	0	90,463	0	90,463	9,126
TAXICAB COMMISSION (TC)	1,316	1,090	0	0	1,090	0	1,090	0
TRANSIT COMMISSION(KC)	96	96	0	0	96	0	96	0
TRANSIT AUTHORITY (KE)	126,899	126,899	0	0	126,899	0	126,899	0
SCHOOL TRANSIT(KD)	3,845	3,845	0	0	3,845	0	3,845	0
TOTAL, PUBLIC WORKS	\$217,856	\$213,267	\$9,126	\$0	\$222,393	\$0	\$222,393	\$9,126
FINANCING&OTHER								
CONVENTION CENTER (ER)	5,175	5,575	-175	0	5,400	0	5,400	-175
DEBT SERVICE (DS)	273,295	324,465	0	0	324,465	0	324,465	0
SHORT TERM INTEREST(ZF)	11,500	9,698	0	0	9,698	0	9,698	0
OPTICAL&DENTAL (DI)	1,556	0	0	0	0	0	0	0
PAY ADJUSTMENTS (PR)	-70,000	-70,000	0	23,591	-46,409	0	-46,409	23,591
DCGH DEFICIT (JD)	0	0	0	0	0	0	0	0
INCENTIVE PAY (IP)	0	3,000	0	0	3,000	0	3,000	0
RAINY DAY FUND (RC)	22,508	0	0	0	0	0	0	0
CASH RESERVE (RF)	79,000	0	0	0	0	0	0	0
BOARDS RECISSION(BW)	-300	0	-500	0	-500	0	-500	-500
RESERVE FOR DEVEL(ZL)	0	0	0	0	0	0	0	0
ADJUSTMENTS (ZZ)	0	-20,000	0	0	-20,000	0	-20,000	0
TOTAL, FINANCING&OTHER	\$322,334	\$257,738	\$-675	\$23,591	\$280,654	\$0	\$280,654	\$22,916
TOTAL, GENERAL FUND	\$3,520,773	\$3,408,458	\$9,871	\$0	\$3,418,329	\$-28,965	\$3,389,364	\$-19,094
=====	=====	=====	=====	==	=====	=====	=====	=====

COW Gross Budget

In addition to the appropriated budget the COW is approving a gross budget which is the sum of the appropriated funding, federal funds and private & other funds. The gross budget approval sums to \$4,445,836.

The agency-specific gross budget recommendation of the COW is displayed in the appropriations title summary table which follows. The columns in the table are:

- (A) the COW appropriated budget request
- (B) the COW federal budget request
- (C) the COW private & other budget request
- (D=A+B+C) the COW gross budget

AGENCY / LINE ITEM	(A) APPROPRIATED	(B) FEDERAL	(C) PRIVATE & OTHER	(D=A+B+C) GROSS BUDGET
GOVT DIRECTION				
COUNCIL (AB)	8,380	0	0	8,380
AUDITOR (AC)	1,057	0	0	1,057
ANC S (DX)	572	0	0	572
MAYOR (AA)	1,250	0	0	1,250
SECRETARY (BA)	2,120	0	79	2,199
INSPECTOR GEN (AD)	736	0	0	736
COMMUNICATIONS (BB)	40	0	0	40
INTERGOV RELATS (BP)	703	0	0	703
CITY ADMIN (AE)	1,972	0	0	1,972
PERSONNEL (BE)	10,294	0	921	11,215
ADMIN SERVICES(AS)	10,767	0	1,637	12,404
CONTRACT APPEALS (AF)	607	0	0	607
CHIEF FINANCIAL OFF(AT)	130	0	0	130
BUDGET (BC)	906	0	0	906
FINANCIAL MANAG (BF)	20,627	0	1,782	22,409
FINANCE&REVENUE (CA)	25,070	0	55	25,125
ELECTIONS & ETHICS(DL)	3,086	0	0	3,086
CAMPAIGN FINANCE (CJ)	997	0	0	997
PERB (CG)	486	0	0	486
EMPLOYEES APPEALS (CH)	1,509	0	0	1,509
RETIREMENT BOARD (DY)	0	0	13,440	13,440
COUNCIL OF GOVTS (EA)	400	0	0	400
GRANTS MANAGEMENT (BQ)	0	2,464	0	2,464
TOTAL,GOVT DIRECTION	\$91,709	\$2,464	\$35,828	\$112,087
ECONOMIC DEVEL				
ECONOMIC DEVEL (ED)	1,725	0	0	1,725
PLANNING (BD)	1,969	0	0	1,969
OFFICE OF ZONING (BJ)	400	0	203	603
DHCD (DB)	5,183	0	0	5,183
PUBLIC HOUSING (PH)	8,500	56,157	0	64,657
EMPLOYMENT SERVICES(CF)	21,877	32,261	10,143	64,281
APPEALS & REVIEW (DK)	147	0	0	147
BRPA (DA)	386	0	0	386
CONSUMER®ULATORY(CR)	21,850	6,444	7,082	35,376
PUBLIC SERVICE COM(DH)	5,333	87	180	5,600
PEOPLES COUNSEL (DJ)	2,497	0	0	2,497
BANKING (BI)	296	0	0	296
TOURISIM (TK)	1,000	0	0	1,000
TOTAL,ECONOMIC DEVEL	\$71,163	\$94,949	\$35,216	\$183,720

AGENCY / LINE ITEM	(A) APPROPRIATED	(B) FEDERAL	(C) PRIVATE & OTHER	(D=A+B+C) GROSS BUDGET
SAFETY & JUSTICE				
POLICE DEPARTMENT (FA)	237,265	3,321	1,430	242,016
FIRE DEPARTMENT (FB)	87,059	0	233	87,292
POLICE& FIRE RET (FD)	216,675	0	0	216,675
JUDGES RETIREMENT (FG)	4,700	0	0	4,700
COURT OF APPEALS (FM)	6,390	0	0	6,390
SUPERIOR COURT (FC)	80,535	0	0	80,535
DC COURT SYSTEM (FN)	35,285	0	0	35,285
CORPORATION COUNSEL(CB)	13,637	0	0	13,637
CLAIMS AND SUITS (ZC)	14,800	0	0	14,800
PUBLIC DEFENDER (FE)	7,702	0	0	7,702
PRETRIAL SERVICES (FF)	3,555	1,204	0	4,759
CORRECTIONS (FL)	227,885	930	3,321	232,136
PAROLE (DD)	5,386	0	0	5,386
NATIONAL GUARD (FK)	1,030	0	0	1,030
EMERGENCY PREP (BN)	1,400	826	0	2,226
JUDICIAL DISABLS (DQ)	130	0	0	130
JUDICIAL NOMMS (DV)	80	0	0	80
TOTAL, SAFETY & JUSTICE	\$943,514	\$6,281	\$9,968	\$954,779
PUBLIC EDUCATION				
PUBLIC SCHOOLS (GA)	503,270	75,786	4,343	583,399
TEACHERS RETIREMENT(GX)	109,175	0	0	109,175
UNIVERSITY (GF)	50,801	9,950	17,190	77,941
EDUCATIONAL LIC.(GH)	217	103	0	320
PUBLIC LIBRARY (CE)	20,479	446	454	21,379
ARTS&HUMANITIES (BX)	1,725	542	0	2,267
TOTAL, PUBLIC EDUCATION	\$685,667	\$86,827	\$43,974	\$794,481
HUMAN SERVICES				
HUMAN SERVICES (JA)	955,237	722,719	44,012	1,721,968
RECREATION (HA)	30,545	0	2,133	32,678
AGING (BY)	13,631	5,310	5	18,946
DCGHL SUBSIDY (JC)	56,735	0	0	56,735
UNEMPLOYMENT COMP (BH)	10,000	0	0	10,000
DISABILITY COMP (BG)	26,000	0	0	26,000
HUMAN RIGHTS&MBOC (HM)	1,479	106	1	1,586
LATINO AFFAIRS (BZ)	637	0	0	637
COMMISSION ON WOMEN(DP)	0	0	20	20
ENERGY OFFICE (JF)	0	6,148	820	6,968
TOTAL, HUMAN SERVICES	\$1,094,264	\$734,283	\$93,982	\$1,875,538

AGENCY / LINE ITEM	(A) APPROPRIATED	(B) FEDERAL	(C) PRIVATE & OTHER	(D=A+B+C) GROSS BUDGET
PUBLIC WORKS				
PUBLIC WORKS (PW)	90,463	2,682	18,931	112,076
TAXICAB COMMISSION (TC)	1,090	0	571	1,661
TRANSIT COMMISSION(KC)	96	0	0	96
TRANSIT AUTHORITY (KE)	126,899	0	0	126,899
SCHOOL TRANSIT(KD)	3,845	0	0	3,845
TOTAL, PUBLIC WORKS	\$222,393	\$2,682	\$39,004	\$244,577
FINANCING&OTHER				
CONVENTION CENTER (ER)	5,400	0	0	5,400
DEBT SERVICE (DS)	324,465	0	0	324,465
SHORT TERM INTEREST(ZF)	9,698	0	0	9,698
PAY ADJUSTMENTS (PR)	-46,409	0	0	-46,409
INCENTIVE PAY (IP)	8,000	0	0	8,000
BOARDS RECISSION(BW)	-500	0	0	-500
ADJUSTMENTS (ZZ)	-20,000	0	0	-20,000
TOTAL, FINANCING&OTHER	\$280,654	\$0	\$0	\$280,654
TOTAL, GENERAL FUND	\$3,389,364	\$927,486	\$128,986	\$4,445,836
=====	=====	=====	=====	=====

Multiyear Plan

The District of Columbia, facing an accumulated deficit of \$324 million and possible overspending during the current and future fiscal years, must begin to set a course of action that moves the District toward financial stability and sound financial management . To that end, the Committee of the Whole proposes a 5 year financial plan for the fiscal years 1997 to 2001 that can achieve the following goals:

- o Consolidation of appropriated and non-appropriated budgets into one consolidated budget
- o Balanced budgets for each fiscal year starting with fiscal year 1997
- o Elimination of the accumulated deficit by the year 2001
- o Sufficient cash reserves by the year 2006 (\$250 - 300 million)
- o Reduction in staffing levels from 42,000 in fiscal year 1996 to 37,000 by 2001
- o Major restructuring and re-engineering of government operations
- o Hold annual expenditure increases to 1.0 percent
- o Reduction in taxes of \$10 million in FY 1997

With these goals in mind, the District's consolidated annual expenditures would increase from a level of \$4.3 billion in FY 1996 to \$4.5 billion for FY 2001. Compared with the Mayor's multiyear spending plan, the Committee's proposed multiyear level of spending would require a \$1.6 billion reduction in expenditures over the 5 year period FY 1997 to FY 2001. Achieving this level will, no doubt, require extraordinarily difficult decisions on the part of the Mayor and the Council. These decisions, however, must be made if the District is to restore itself to fiscal stability. The Committee believes that it is better that these decisions be made by the District's elected representatives than by anyone else.

By holding expenditures to a level below revenues for each year after FY 1996, the District can essentially "pay down" its accumulated deficit over time. By FY 2001, the District eliminates its accumulated deficit and begins to build cash reserves. The projected revenues and expenditures are shown in the multiyear spending exhibit on the next page.

To Committee recommends the following structural changes in the District's budget to realize the \$1.6 billion savings necessary over the next five years to balance the budget and reduce the accumulated deficit.

Workforce reductions

- o **Personnel and Workforce Restructuring.** The plan assumes an annual total full time equivalent (FTE) average attrition rate of 5% *per annum*, and that 50% of attrited positions are designated as critical positions, requiring retention or re-filling, for a net annual reduction of 2.5% per annum. This is roughly a net reduction of 1,000 FTE per year from the estimated 42,000 FTEs (appropriated and non-appropriated). Savings from staffing reductions can be used for mandatory program increases, deficit reduction, and limited re-investment in priority programs for re-engineering.

For non-critical positions, the multi-year plan assumes re-engineering of agencies and work to achieve FTE savings. This includes increased reliance on automated data processing, as well as restructuring how work is actually performed. Each Council Committee will hold special summer hearings on one agency under their jurisdiction per year, exploring restructuring options for the budget. The Council will also rely on the Mayor's Office of Productivity Improvement to perform special analysis as requested. This initiative is expected to save \$0.5 billion over the next 5 years.

Agency Eliminations and Reduced Agency Funding

The Committee recommends reductions in funding equivalent to what was previously considered the appropriated funding for the following agencies during the period of the multiyear plan:

- o Civilian Complaint Review Board
- o Commission on Arts and Humanities
- o Latino Affairs
- o Commission for Women
- o National Guard
- o Grants management

These reductions would account for a \$21.5 million reduction in expenditures over the next 5 years. Many of these agencies can continue operations with the use of grant funds.

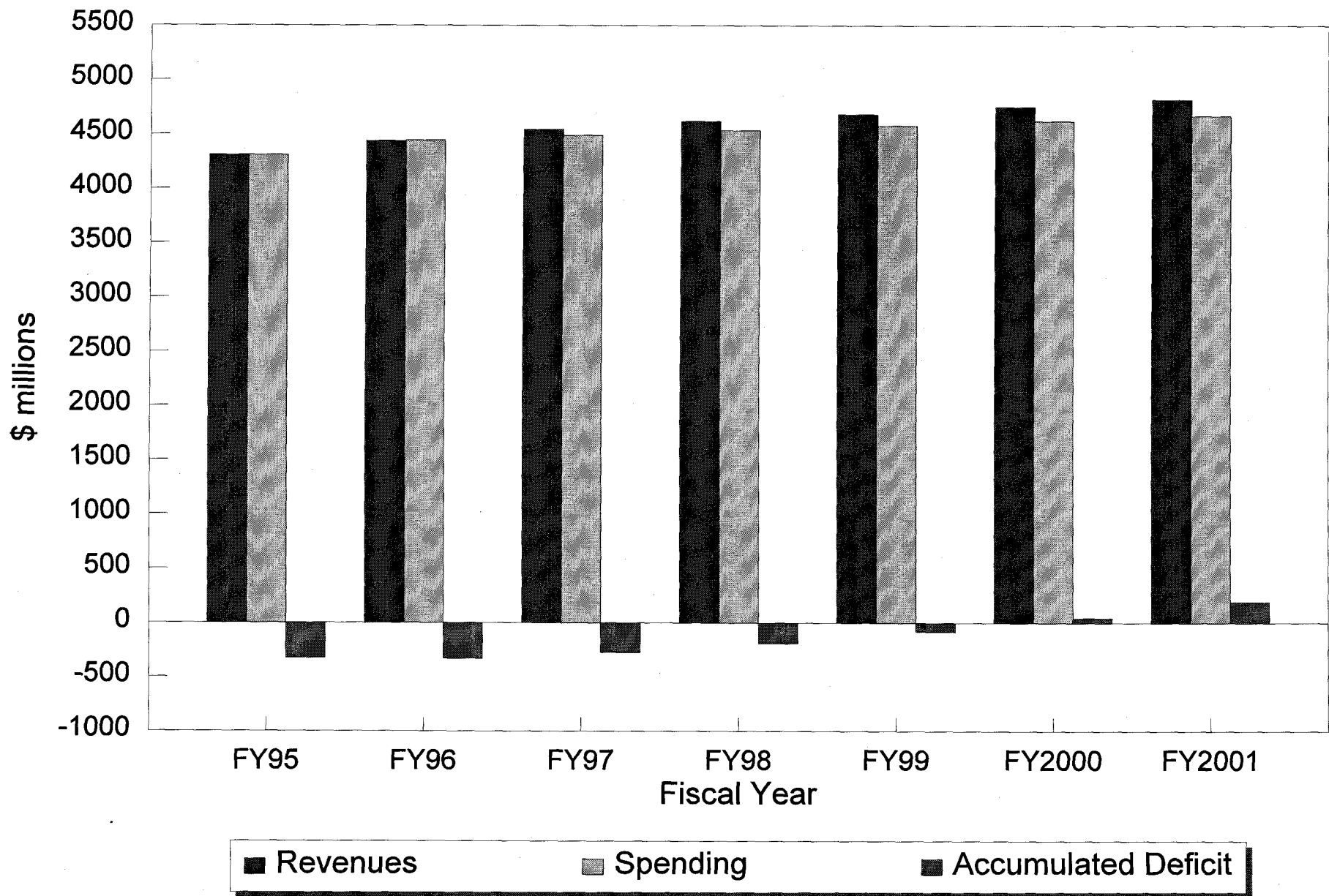
Based on input from Committees during the budget review process, several other agencies should be considered for expenditure reductions over the next several years. These include:

- o Employment services
- o University of the District of Columbia
- o Washington Metropolitan Area Transit Authority (reductions against Mayor's estimate)
- o D.C. General Hospital
- o St. Elizabeth's Hospital

	Total Budget (\$ millions)					
	Chairman's					
	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY2000</u>	<u>FY2001</u>
Revenue	4,436	4,545	4,619	4,684	4,751	4,820
Spending	(4,444)	(4,488)	(4,533)	(4,578)	(4,624)	(4,670)
Annual Surplus (Deficit)	(8)	56	86	105	127	150
Accumulated Deficit						
Year Start	(323)	(331)	(274)	(189)	(83)	44
Year End	(331)	(274)	(189)	(83)	44	193
Annual Tax Cuts	(34)	(10)	0	0	0	0
Annual FY97-2001 Spending Increase	1.00%					

FY97-2000 revenues = Mayor's estimates for all revenues, plus Mayor's estimate of FY96 grants funds straight-lined, plus \$40 million in increased grant reimbursements resulting from improved overhead allocation.

Revenues, Spending, and Accumulated Deficit



Taken together, the reductions proposed for these areas would total approximately \$300 million over the next five years.

Restructuring Government Operations

The cost saving assumptions in this multiyear plan require major government restructuring that should include the following:

- o **St. Elizabeth's Hospital:** Move to increase the use of community based services for the treatment of mentally ill patients, rather than more costly inpatient services. This would entail phasing down acute care hospital beds at St. Elizabeth's by 500 over the multiyear plan period. The Committee on Human services recommends creating an exploratory committee to consider the feasibility of closing St. Elizabeth's.
- o **Revise legislative mandates:** The Council should reconsider legislation that is the basis for court administered consent decrees. These include the LaShawn, Dixon, and Jerry M. orders.
- o **D.C. General Hospital and public health clinics:** Establish D.C. General Hospital and the District's public health clinics as a public benefits corporation consistent with the recommendation of the Kurrion Commission Report of 1994. Furthermore, the Council should review the scope of services offered at D.C. General Hospital to determine which services should or should not be provided. Such a review could result in a significant downsizing of the operations at D.C. General.
- o **Community-based services for developmentally disabled:** To enhance community based services for the developmentally disabled population, submit a home and community-based waiver to the Federal government to ensure reimbursement for a wide variety of community care. The Council should work to effect an even distribution of community based facilities throughout the community. This proposal is consistent with the general trend in state and local governments to emphasize community-based rather than institutional based care. Community-based care is less costly and better for patients.
- o **Primary and secondary education:** Encourage innovation and cost savings in the delivery of educational services. These could include the use of charter schools and schools within schools.
- o **Higher education:** Restructure higher education services. The goal of this restructuring should be to reduce the general fund subsidy to UDC, focus curriculum on the emerging workforce needs, and reduce or eliminate graduate programs.

- o **Manage prison population growth:** To manage the District's limited incarceration facilities and to hold prison cost increases to that of inflation, the District work with the Court to implement presumptive, impact-sensitive sentencing guidelines in the District.
- o **Welfare reform:** To reduce spending in Aid to Families with Dependent Children (AFDC), the Council should pass legislation to expand the definition of an AFDC caretaker. This will make many General Assistance (GA) children eligible for the federally matched AFDC program. Consequently, the cost of the District funded GA program would decrease as a result of it serving fewer children. This provides a beginning for additional reforms to the District's welfare system.
- o **Pension plan adjustments:** Make several changes to the existing pension system, including elimination of the two annual cost of living increases (COLAs) in exchange for one annual COLA. The District should explore other combinations of changes that might alleviate the financial strain imposed by the current system.
- o **Regional cooperation:** Seek cooperation with its neighbors in the delivery of public services. This includes a review of the funding and operations of the regional transportation authority (WMATA) in relationship to the District's transportation needs. Among the considerations should be the possibility of a 2 cent regional gasoline tax to fund area transit needs. In addition to regional transportation needs, the District should review the possibility of a regional water and sewer authority.
- o **Lower debt service ratio:** This has the two-pronged benefit of reducing debt services costs (which have increased some 47 percent in the last 6 years) and adding flexibility for future borrowing needs.

These proposed restructurings reflect the trend in state and local governments around the country that are facing flat revenues and increasing service demand. These proposals are designed to improve services while reducing costs.

Management Reforms

Some, although not all, of the District's fiscal problems can be traced to management. The Committee recommends that the Council take action to improve the management of government through improved oversight, financial management controls, procurement reform, personnel reform, and improved use of information technology. Specifically, the District should carry out management reforms in the following areas:

- o **Financial management:** The Council should take immediate action to increase accountability and curb high risk financial management practices, including clear sanctions for managers that overspend, adopt full cost accounting principles, establish financial officer hiring standards, mandate broader apportionment requirements, adopt

procurement reforms, mandate personnel and position control measures, and examine the need for a new accounting system.

- o **Financial management oversight:** Broader reforms for Council consideration include, performance budgeting, adopting a local anti-deficiency act, and financial management organizational improvements.
- o **Facility utilization:** Develop a complete inventory of property (including that under the control of independent agencies) to determine the best allocation of leased and owned space.
- o **Accounts receivable:** The District should take aggressive action to ensure that all of its bills are collected. We should develop information systems and training to improve our collections.

These and other management reforms can go a long way in helping the executive eliminate over expenditures and improve service delivery in the District.

Privatization

The District should consider privatization of several functions now operated directly by District employees. These include the following:

- o The Lorton prison and D.C. Jail
- o D.C. Village
- o Operation and maintenance of major data centers
- o Fleet maintenance at Department of Public Works and the Police Department
- o Solid waste transfer stations
- o Metrobus services
- o Food services at the Department of Corrections

The examples above represent only a small number of the functions of government that could be privatized. These privatization initiatives were included in the 1994 review of the original Rivlin Commission report of 1990 and given an updated estimate of \$46 million in annual savings.

The following list represents additional services that the District should consider for privatization. The Committee recommends that the newly established Privatization Commission review the following services to determine the feasibility of privatizing them.

- o Oak Hill
- o Receiving Home for Children
- o Adoption services
- o Central supply operations
- o Child support enforcement

- o Computer services and training
- o Employment and placement services
- o Food stamp administration
- o Employee training
- o Highway maintenance
- o Highway vehicle maintenance
- o Medicaid administration
- o Mental health services
- o Payroll
- o Postal services and reproduction
- o Social services (social workers)
- o Telecommunication services
- o Laboratory services
- o Security services
- o Custodial services
- o Vehicle fleet maintenance and operations
- o Automobile inspections
- o Real estate leasing
- o Property appraisal
- o Accounts receivable
- o Employee assistance
- o Tax collections
- o Highway construction inspection
- o Building inspection and plan review

Based on current District law, employees would be allowed to submit bids to operated services proposed for privatization. Providing entrepreneurial opportunities for union members should be part of the mission of the Privatization Commission.

Federal Assistance

Because the District has a unique relationship with the Federal government, any solution to the long term fiscal problems of the District will involve Federal participation. The following include the Committee's recommendation for Federal assistance in helping the District solve its fiscal problems.

- o **Authority to tax income at its source:** To broaden the tax base of the District, and to allow us to ease the tax burden on existing tax base, the Congress should consider giving the District the right to tax income at its source similar to other jurisdictions with responsibilities similar to those of the District's. The authority to tax income at its source could be fashioned in a number of different ways including phasing it in for those District employees that live in Maryland and Virginia.

- o **Federal restrictions on District's tax base:** The Congress could enable the District meet more of its financial obligations by eliminating restriction on its tax base. For example, the District is prohibited from collecting a tax on the sale of goods purchased at the Smithsonian Institute and the National Gallery of Arts. Removing some of these restrictions on the District's taxing ability would enable the District to expand its tax base and thereby allow the District to reduce taxes on the existing, limited base.
- o **Federal payment:** The Federal payment, for many years, has been an unpredictable source of revenue for the District. Although increased four year ago, it has remained flat ever since with no prospect for increases consistent with inflation or increases in the District's own source revenues. The Committee recommends that the District and the Congress agree on an appropriate level for the Federal payment that changes each year based on an established formula.
- o **Alternative taxing structures:** Delegate Norton has introduced legislation that would give the District the same Federal tax status as that of Puerto Rico. While the notion of not paying federal taxes is appealing, the Council has not ruled out other plans for easing the local Federal tax burden. Among the alternatives that should be considered is one in which District residents have the first \$200,000 of income exempt from Federal tax, and all businesses that operate their business in the District be given a 20 year exemption from Federal taxes and a 50 percent exemption thereafter. These and other alternative taxing structures could make the District an extremely attractive place to live and do business thereby reversing the trend over the past ten years of declining population and declining tax base.
- o **Full-Federal participation:** In addition to any requests for Federal assumption of responsibility for pensions and Medicaid, current District grants management practices are inconsistent and incomplete, resulting in annual lost grant revenue. Failure to operate on a full-cost accounting basis means the full overhead cost of District programs are not allocated to Federal grants. A rough estimate of annual increased grant revenue from moving to full-cost accounting is \$40 million.
- o **Pensions:** The Federal government saddled the District with an enormous unfunded pension liability. By almost any account, including those from independent sources, the Federal government does not contribute its fair share to the unfunded pension liability. The Committee recommends that the District seek further relief from the Federal government regarding the District employees in the teachers, judges, police, fire pension plans.

- o **Medicaid match:** The Federally established Medicaid match rates place a severe disadvantage on the District. The matching rate, which is designed to apply to states, does not take into account the special characteristics of a jurisdiction like the District, which has a large Medicaid population along with relatively high median income. These two factors account for the relatively low Medicaid match rate, and the high demand for services. A new Medicaid matching rate that takes into consideration the special circumstances of the District would be fair and would assist the district in carrying out this particular state responsibility.
- o **Correctional services:** Congress should consider providing the District some assistance in housing or paying for its inmate population. Because prisons are normally a state function, and because the District's prisoners are under the supervision of the U.S. Attorney General, Federal support in this area is a reasonable alternative for consideration. This could be accomplished by either a Federal takeover of Lorton or through housing Lorton inmates at Federal prisons.

A review of these and other issues regarding the allocation of responsibilities between the Federal government and the District of Columbia can help to perfect the relationship between our two governments. An improved relationship with the Federal government must be a part of any multiyear plan to return the District to financial stability and go even further to make this City a model for capitals around the world.

IMPACT ON EXISTING LAW AND SECTION-BY-SECTION ANALYSIS

Council enactment of Bill 11-159 fulfills an obligation under the Home Rule Act. This Act requires the Mayor to prepare and the Council to enact an annual budget request for the District government, and further provides that the District's fiscal year shall begin on October 1 and end on September 30. Bill 11-159 also appropriates the federal payment to the District.

The Home Rule Act requires the Mayor to include the following items in his proposed budget: (1) a proposed budget specifying the agencies and purposes for which funds are requested; (2) a budget message with supporting financial and statistical data; (3) a multiyear plan for each agency describing future cost implications; (4) a multiyear capital improvements plan for each agency describing proposed capital projects; (5) a program performance report comparing past accomplishments with proposed goals; (6) an issue analysis statement addressing issues previously identified by the Council; and (7) a summary designed for public distribution. The Home Rule Act also requires the Mayor to submit his proposed budget at a time designated by the Council.

The procedures for Council review of the Mayor's proposed budget differ significantly from the procedures for other legislative acts of the Council. The Council is required to hold public hearings and complete its review within 50 calendar days of the Mayor's submission. The budget act may be approved at a single reading instead of the usual two readings, Council rule 705. The Mayor's veto authority is not limited to the entire budget act; he has the power to disapprove any item or provision of the budget act and approve the remainder. See, D.C. Code, sec. 1-227(f). Finally, Congress must affirmatively enact the budget act rather than fail to disapprove it.

Bill 11-159 includes numerous policy restrictions and directives. Because Bill 11-159 generally remains in effect for the duration of Fiscal Year 1996 only, these policy restrictions and directives generally have a one-year lifetime.

COMMITTEE ACTION

The Fiscal Year 1996 Budget Request Act (Bill 11-159) and this report were considered by the Committee of the Whole at its regular meeting on April 18, 1995.

Chairman David A. Clarke began the discussion by moving an amendment in the nature of a substitute. This amendment accepted most of the individual committees' recommendations and made several additional changes proposed by the Chairman -- providing a total of \$3,400,847 in revenues and \$3,389,364 in expenditures, for a surplus of \$11.483 million.

Councilmember Brazil moved to amend the revenue estimates by reducing the real property tax line by an additional \$19 million (the amendment in the nature of a substitute already included a \$15 million reduction below the Mayor's proposal). The intent of the real property tax revenue reductions is to maintain in FY 1996 approximately the same rates as recommended by the Committee of the Whole for establishment by the Council in FY 1995. Mr. Brazil's amendment was adopted by voice vote (all present) with Councilmembers Smith, Thomas, and Chairman Clarke asking to be recorded as voting "nay."

Councilmember Patterson moved to reduce funding for the D.C. School of Law to zero in FY 1996. After discussion, Councilmember Patterson withdrew her motion without objection.

Councilmember Chavous moved an amendment regarding the hiring of persons from outside the government to fill appropriated positions during FY 1996. No agency, including an independent agency, shall fill a position wholly funded by appropriations authorized by the bill unless the Mayor submits a proposed resolution of intent to fill a vacant position to the Council; if the Council does not disapprove within 30 days the resolution shall be deemed approved. Mr. Chavous stated that the intent and purpose of this amendment was the same as the one adopted by the Committee for the 1995 revised budget. The amendment was approved by voice vote (Councilmember Brazil absent).

Councilmember Chavous moved an amendment to the bill requiring that the Mayor, not later than 15 days after the end of each fiscal quarter, submit to the Council a report including specified information with respect to government employees on the capital project budget. The amendment was approved by voice vote (Councilmember Brazil absent).

Councilmember Lightfoot moved an amendment to the appropriations act language: "Provided further, that the Metropolitan Police Department shall employ an authorized level of sworn officers not to be less than 3,800 sworn officers for Fiscal Year 1996." The amendment was approved by voice vote (Councilmember Brazil and Chairman Clarke absent).

Councilmember Lightfoot moved an amendment to the appropriations act language to the effect that the District should not place more than 1,000 inmates into halfway houses, either District operated or contracted, on any given date due to the high number of escapes from these correctional facilities in our communities. The amendment was approved by voice vote (Councilmembers Brazil, Mason, and Chairman Clarke absent).

Councilmember Jarvis asked that the tables reflecting the budget show that her Committee on Economic Development had reduced the convention center budget line by \$175 thousand to \$5.4 million. This correction was accepted by the Chairman without objection.

Councilmember Lightfoot moved that the Department of Recreation budget be reduced by \$4.5 million (to \$26,045) and that this money be redirected to the Public School System budget. After discussion a voice vote was taken and then a roll call vote. The amendment failed by a 5-6 vote: Councilmembers Mason, Patterson, Ray, Cropp, and Lightfoot voting "aye"; Councilmembers Smith, Thomas, Brazil, Chavous, Evans, and Jarvis voting "nay."

Councilmember Smith asked that the budget tables reflect that his Committee on Housing and Urban Affairs reduced by \$351 thousand the budget of the Office of Planning, not the Department of Housing and Community Development. This correction was accepted by the Chairman without objection.

Councilmember Lightfoot moved that \$6 million of the cuts made by the Committee on the Judiciary to the Department of Corrections budget be restored to the Department. After discussion the amendment failed by a voice vote (all members present).

There being no further discussion, Chairman Clarke called for the vote on Bill 11-159, an amendment in the nature of a substitute, as amended by the Committee of the Whole. The bill was approved by voice vote (all members present).

Chairman Clarke then presented a draft committee report to accompany the bill, and he moved its adoption.

Councilmember Ray moved an amendment to delete the "Committee Conclusion" section on page 3 of the committee report, which would have concluded that the budget "(1) is balanced in that estimated revenues are equal to, or greater than, planned expenditures; (2) reduces property taxes; and (3) does not add to the already enormous accumulated deficit of \$324 million..." The amendment to delete was approved by voice vote.

Councilmember Cropp asked that she be allowed to submit the Committee on Human Services Multiyear Plan as an attachment to her committee's April 11, 1995 report on the FY 1995 revised and FY 1996 budgets. There was no objection to her request.

Councilmember Patterson moved to amend the alternative taxing structures paragraph in the multiyear plan section on page 34 of the committee report by replacing the figure "\$55,000" with "\$200,000." After discussion the amendment was adopted by a 7-5 roll call vote: Councilmembers Patterson, Smith, Brazil, Chavous, Cropp, Evans, and Lightfoot voting "aye"; Councilmembers Ray, Thomas, Jarvis, Mason, and Chairman Clarke voting "nay."

Councilmember Jarvis moved to amend the community-based services for developmentally disabled paragraph in the multiyear plan section on page 30 of the committee report by adding a sentence to the effect that: "Attention must be paid to the even distribution of such facilities and their compliance with zoning and permit requirements." This amendment was accepted without objection.

Councilmember Jarvis moved to amend the privatization portion in the multiyear plan section on page 32 of the committee report by adding language to the effect that: "Providing entrepreneurial opportunities for union members should be part of the mission of the Privatization Commission." Councilmember Thomas proposed as an amendment to the amendment that "Government agencies be allowed to bid on privatization projects, too." Mr. Thomas' amendment was accepted without objection. Mrs. Jarvis' amendment, as amended, was approved by voice vote (all members present).

Councilmember Brazil moved to change "1996" to "1997" in the second bulleted line under the first paragraph of the multiyear plan section on page 25 of the committee report, so that the sentence reads: "Balanced budgets for each fiscal year starting with fiscal year 1997". The amendment was accepted without objection.

Councilmember Thomas moved to strike fleet maintenance at Department of Public Works and solid waste transfer stations from the list of possible functions that could be privatized -- listed in the privatization portion in the multiyear plan section on page 32 of the committee report. The amendment failed on a voice vote.

There was additional brief discussion regarding the budget in general and the multiyear plan. Thereupon, Chairman Clarke called for the vote on the committee report, with leave for staff to make technical and conforming changes. The report was approved by voice vote (all members present).

**ADDITIONAL COMMENTS
OF
COUNCILMEMBER AT-LARGE JOHN RAY
ON THE
FY 1995 SUPPLEMENTAL II AND FY 1996 BUDGETS**

I believe that the requests before us present an opportunity to structure budgets for the remainder of this year and next year that are based on thoughtful decisions on what the priorities for city spending should be, and realistic assessments of the cost of providing the services determined to be most important to moving the city forward and retaining our dwindling tax base. Given the current financial situation and the totally unrealistic budget assumptions of the past several years, the kind of realistic budgets most Committees have developed in their mark-ups will not, in aggregate, total to a balanced budget in either FY 95 or FY 96.

City budgets for the past five years have been balanced on a hope and a prayer that unrealistic estimates of revenue and spending reductions will be achieved. There is no way that we can execute a budget this year that is both balanced and real. The time is long past when we can afford to paste together yet another budget balanced with paper contrivances.

In my view, we should concentrate in this budget exercise on two goals:

- * crafting an honest and accurate budget that can be the base line for our spending in the immediate future; and
- * developing a five-year spending plan that realistically projects spending controls and savings in a way that meets the mandate for such a plan contained in the recently enacted Congressional statute creating a Financial Authority for the District.

The District of Columbia Financial Responsibility and Management Assistance Authority act recently passed by Congress recognizes that the District is unlikely to be able to balance its budget in the near future, and amends the District Charter to excuse the city from a balanced budget requirement until the FY 1999 budget. For the next several fiscal years, the Authority Act requires that:

"During fiscal years 1996, 1997, and 1998, the District government shall make continuous, substantial progress towards equalizing the expenditures and revenues of the District for such fiscal years (in equal annual installments to the greatest extent possible)."

The budgets we are approving should be the first step toward complying with that mandate for incremental progress toward fiscal stability. We must insure that the FY 1995 supplemental changes to the budget and the FY 1996 budget deal with real costs based on actual spending levels. The budgets submitted during the Kelly administration were completely

misleading at best and dangerously deceptive at worst. The expenditure reductions bore no relation to the actual cost of providing services. As the chart in Attachment 1 displays, the budgets for certain large agencies such as Public Works, Corrections, the Fire Department, and the Department of Human Services appear to have been arbitrarily contrived to plug budget holes in order to achieve both a paper budget balance and the appearance of a commitment to spending reductions -- reductions which, in relation to actual program costs, were absolutely unattainable absent substantial government restructuring.

The lack of reality in the budgets of the past four years is graphically illustrated by a comparison of budgeted and actual expenditures for overtime costs in the public safety agencies. The chart in Attachment 2 displays the discrepancies. It is sound budgeting practice to anticipate and budget for overtime costs in 24-hour programs, and nationally the rule of thumb in budgeting such costs for public safety agencies is to budget at 5% of regular personnel costs. As the charts show, we not only didn't budget at the 5% level, but we disregarded the fact that the public safety agencies were understaffed and would consequently almost surely exceed even the national 5% norm. The continued "overspending" on overtime is actually an underbudgeting of actual costs which an honest and realistic budget should anticipate.

As we make the personnel and base budget reductions critical to controlling cash outlays and spending commitments, we must undertake those reductions within the framework of a long-range strategy which clearly articulates the kind of government we will have for the future; and we need to establish in this budget cycle the restructuring initiatives that will become the core of that long-range strategy.

We should look for functions that can be made self-sustaining so that users of services, for example, will know that fees they are charged are genuinely paying the cost of providing the service for which the fee is charged, and so that employees will know that their efforts to provide efficient services will not be frustrated. As Chair of the Committee on Consumer and Regulatory Affairs, I will be working with the business community to develop initiatives for making some of the functions at DCRA self-supporting in order to insure that the fees coming into the agency for license and permit functions are directly supporting automation and other initiatives necessary to facilitate the efforts of employees to effect improvement in those services.

We also need to begin in this budget exercise to identify those functions we can no longer perform. In the December Council actions we suspended some laws in order to terminate various functions for a period; we reduced and eliminated some city services for FY 95; and we stopped paying members of most boards and commissions. We need to review those actions to determine whether the adjustments we made in December should be permanent changes. We need to look as well at other statutes and the programs they created to determine whether it is time to eliminate them.

I believe it would be wise for us to identify areas where contracting out may both save money and provide better services. For example, the continuing deficiencies in services provided

by DHS to children, youth and families in the District have brought several key programs into receivership already and several others are under threat of receivership. Other cities -- including New York -- have found that contracting out the provision of some of these services to private non-profit agencies with long experience in running successful programs addressing the same or similar populations and needs has resulted in better utilization of local and federal dollars, and more creative leveraging of private funds. Now is the time to take a hard analytical look at the historically most troubled, and consequently costly, city programs to determine whether privatization in those areas makes sense.

We must also carefully review existing court orders and the consent decrees we have entered to see whether the conditions and timetables we have agreed to are realistic. If it is clear from past experience that we are unable to comply with orders and agreements, we need to analyze our situation and develop a new compliance plan and time-table, and take it back to court and attempt to renegotiate. We must also review both our own local laws and U.S. statutes to see if it is necessary to amend our own laws or request amendments to federal law to remove the statutory bases for various lawsuits. Two years ago, for example, the Council took action, but at the request of then Mayor Kelly later reversed itself, in amending current law to repeal a provision of the "Ervin act" that would have removed the statutory basis for the court case that resulted in the Dixon decree. The city has failed repeatedly to meet the mandates of the Dixon decree, and has spent millions in fines and fruitless attempts to structure an adequate programmatic response. We should re-examine the Ervin Act provisions as well as other statutes, such as those which have provided the impetus for court actions in respect to foster care, and determine whether they should be amended or repealed.

It is time to make the definitive changes necessary to restructure public health care in the District. The responsibility for coordinating public health services should rest with an agency separated from the complicated and troubled bureaucracy of the Department of Human Services, and we should take the legislative action necessary to effect such a reorganization as soon as possible. Our final decision in regard to D.C. General Hospital and the question of what new form it should take and under what authority it will continue to operate must be made in the broader context of public health care in the District, including the relationship between public health clinics and the hospital. In developing a new public health plan and continuing our efforts to move the city's Medicaid recipients into managed care programs, we should be exploring the possibilities of privatizing city clinics, and establishing new ones in neighborhoods not currently served.

Our long-range planning must include better management of our assets. We must insist on a complete inventory -- including property under the control of independent agencies -- of city-owned property, a complete list of the city's current leases in private property, and any space utilization studies that have been undertaken in the past five years so that we can make informed judgements about whether we need to try to renegotiate or even litigate to get out of costly leases, and whether we can absorb into city-owned space government functions operating out of leased private space. Each year the city budget anticipates revenue from the sale of city property; the

sales never occur and the revenue is unrealized. And each year the Council reduces the authorized amount for lease costs in various budgets and instructs the agencies to find new space, and the executive ignores the directive and agencies overspend. We need to take the steps necessary in this budget cycle to require the development of a realistic and practical 5-year facility utilization and space management plan that anticipates government needs, lease expirations, and the potential for private sector purchase or lease of city-owned properties.

We cannot attempt to develop a blueprint for the future without addressing the problem of the unfunded liability of the Police, Firefighters, Teachers and Judges pensions. Last year the council enacted D.C. Act 10-239, the Full Funding of Pension Liability Reform Amendment Act of 1994. The provisions of D.C. Act 10-239 will not become law until the Congress passes companion legislation introduced by Delegate Norton (H.R. 3728) to put in place necessary conforming changes affecting the amount and duration of the federal contribution to the pension plans. In congressional hearings held on the subject bills, it was clear that Congress would like to see the city itself make some additional immediate changes to the system before the Congress will agree to increasing its obligation. While we can correctly argue that the pension fund's unfunded liability is clearly not a problem of the District's own making, it should be obvious that in this area, as in many others, the Congress is waiting for a demonstration of good faith by the District before they will act to assume more federal responsibility.

D.C. Act 10-239 would make several changes to the existing system. At least one of those changes -- the elimination of one of the two annual COLAs the current law allows -- has been the focus of considerable congressional interest. The Council has the authority to enact that change itself. I suggest we move forward and eliminate one of the two currently authorized COLAs as part of any budget support legislation we enact. Such a step, I believe, is necessary if the city is to chart a new course in meeting its obligations.

While there has been considerable attention focused on all the outstanding bills the District has failed to honor and the negative impact this delinquency has had throughout the community, little attention has been paid to the continuing failure of the city to collect outstanding debts it is owed. In each budget report since the enactment of the FY 1993 second supplemental budget, the Council has directed the Mayor to take whatever steps are possible to factor existing collectibles. In D.C. Act 10-389, the Multi-year Budget Spending Reduction and Support Emergency Act, the Council amended the law to allow for properties with unpaid taxes to be sold more expeditiously at tax sale. I urge that the Council direct the Mayor to provide a detailed report by a date certain of the actions being taken by the executive to collect obligations owed to the city -- including federal reimbursements which are still recoverable. If the District collected the debts we are owed, it might be possible for us to pay our own bills in a timely way. It is a disservice to the taxpayers of the District to impose any tax increases when the city's poor management has allowed hundreds of city residents and businesses to become scofflaws.

We must ask that all city agencies do their fair share in resolving the fiscal problems. I will not support efforts to excuse the court system from making its contribution to reducing

expenditures for its own operations and personnel. In addition, the courts need to be more sensitive to the ways in which their procedures and timing costs other city agencies. For example, metropolitan Police Chief Thomas has taken some steps to better manage the police officers' overtime in respect to court appearances as witnesses. The Court system must work cooperatively with the Chief to refine the process for police officers appearing as witnesses. In an age when pagers are ubiquitous it would seem relatively easy to arrange to have officers on call for appearances, rather than require them to spend whole days sitting around the courthouse waiting to be called.

It is time also that we begin to plan for the restructuring initiatives that will move us forward toward a more efficient city government. Several of the Committee budget reports discuss the need for increased automation in city government. The past three approved budgets of the Department of Consumer and Regulatory Affairs have directed that funds be provided to upgrade and expand automation of functions throughout the agency. Those funds have never been provided. Our long-term planning must include funding for automation.

We need also to consolidate economic development entities into a business and community development corporation with broad reaching governmental and corporate powers, and authority to leverage public funds with private sector money. We need to make the District a more business friendly city where permit and zoning processes can be expedited, and necessary review and procedures are consolidated. The report of the Committee on Consumer and Regulatory Affairs, in directing that certain certification and licensing procedures be streamlined moves in the direction we need to take throughout city government. And the Council must move on pending legislation to reduce taxes and to revitalize areas such as the New York Avenue corridor in order to provide a new vitality and incentive for business development in the city.

Our long-range planning must address the need to build on the personnel reduction begun in the Council's December actions, and we must develop a new personnel system to enable us to facilitate the rightsizing of our workforce.

It is critical to the future of the District that in our actions on this budget we send a clear message to taxpayers, to Congress, and to city employees that we are finished with budget gimmicks and are ready to put an end to the habit of attempting to buy our way out of fiscal trouble. We can't continue to threaten property owners one day, health care providers the next, and non-profits tomorrow. We have seen the effect on our population, our revenue and our quality of life of the past decade of tax and spend.

We can learn from the past decade of management failure and take the opportunity this budget provides to craft a blueprint for a new future for the District of Columbia.

Attachments

ATTACHMENT 1

ACTUAL AND PROPOSED SPENDING FOR FY 1992 - FY 1996

	FY 1992 Actual Spending	FY 1992 Supp Request	FY 1993 Actual Spending	FY 1993 Supp II Request	FY 1994 Actual Spending	FY 1994 Revised Request	FY 1995 Committee Supp II Proposed	FY 1996 Committee Proposed
Public Works	\$ 97,171	\$ 96,356	\$ 93,151	\$ 91,497	\$100,776	\$ 75,452	\$ 89,130	\$ 90,463
Fire Dept	\$ 95,104	\$ 96,112	\$ 95,181	\$ 86,463	\$100,255	\$ 76,049	\$ 89,129*	\$ 87,525
Corrections	\$246,918	\$ 251,007	\$247,729	\$247,667	\$240,584	\$237,901	\$243,364*	\$233,265
Police	\$234,953	\$249,486	\$241,211	\$246,777	\$248,898	\$227,196	\$232,063*	\$237,265
DHS	\$821,638	\$768,077	\$832,449	\$825,195	\$878,051	\$788,924	\$958,869	\$979,252
TOTAL	\$1,495,784	\$1,461,038	\$1,509,721	\$1,497,599	\$1,568,564	1,405,522	\$1,612,555	\$1,627,770

* Committee mark including 4% & 12% reduction

Summary of Appropriated Budget Overspending

	FY 1992 overspending	FY 1993 overspending	FY 1994 overspending
Public Works	\$ 815	\$ 1,654	\$ 25,324
Fire Dept	\$ (1,008)	\$ 8,712	\$ 24,206
Corrections	\$ (4,089)	\$ 62	\$ 2,683
Police	\$ (14,533)	\$ (5,566)	\$ 21,702
DHS	\$ 53,561	\$ 7,254	\$ 89,127
TOTAL	\$ 34,746	\$12,116	\$163,042

ATTACHMENT 2**Overtime Expenditures**

	FY 1992 Actual Overtime Spending	FY 1993 Overtime Budget	FY 1993 Actual Overtime Spending	FY 1994 Overtime Budget	FY 1994 Actual Overtime Spending
Fire Dept.	\$ 13,743,000	\$ 3,088,000	\$ 9,435,000	\$ 3,088,000	\$ 14,893,000
Corrections	\$ 3,498,000	\$ 2,500,000	\$ 5,842,000	\$ 2,500,000	\$ 17,520,000
Police	\$ 14,426,000	\$14,140,000	\$ 14,942,000	\$ 7,511,000	\$ 20,172,000
TOTAL	\$ 31,667,000	\$19,728,000	\$ 30,219,000	\$13,099,000	\$ 52,585,000

Summary of Overtime Expenditures

	FY 1993 Overtime Over spending	FY 1994 Overtime Overspending
Fire Dept.	\$ 6,347,000	\$ 11,805,000
Corrections	\$ 3,342,000	\$ 15,020,000
Police	\$ 802,000	\$ 12,661,000
TOTAL	\$10,491,000	\$ 39,486,000

Object Class 13 (Additional Gross Pay)

	FY 1992 Actual Spending	FY 1993 Budget	FY 1993 Actual Spending	FY 1994 Budget	FY 1994 Actual Spending
Public Works	\$ 5,582,000	\$ 1,270,000	\$ 4,135,000	\$ 1,136,000	\$ 5,737,000
DHS	\$ 21,729,000	\$ 5,318,000	\$ 17,120,000	\$ 4,218,000	\$ 15,767,000
TOTAL	\$ 27,311,000	\$ 6,588,000	\$ 21,255,000	\$ 5,354,000	\$ 21,504,000

Overspending in Object Class 13 (Additional Gross Pay)

	FY 1993 Overspending	FY 1994 Overspending
Public Works	\$ 2,865,000	\$ 4,601,000
DHS	\$ 14,667,000	\$16,150,000
TOTAL	\$ 17,532,000	\$20,751,000

**DISSENTING COMMENTS
OF CHAIRMAN DAVID CLARKE
REGARDING
FY 1995 Supplemental II and FY 1996 Budgets**

* * * * *

After recognizing that there was no chance that Congress would approve Mayor Barry's request for a \$267 million special federal payment for Medicaid and recognizing the stated desire of a majority of the Council for cuts to the property and medical providers' taxes, I recommended (1) rejection of the Mayor's proposed identification of the \$267 million in special federal assistance, (2) reductions of the property tax and the providers tax totalling \$38.6 million, and (3) balancing the remainder of that which the Mayor had estimated would be available. This was sufficient to balance the Second FY 1995 Supplemental at the level requested by the Mayor minus \$20 million in expenditure reductions recommended by Council Committees.

Although motions were made for unbalanced expenditures, they were ultimately withdrawn, defeated, or amended to balance them by reductions of other expenditures. By the end, the Committee of the Whole had cut an additional \$154,000 in expenditures from the Second FY 1995 Supplemental.

However, a successful motion was made to cut property taxes by an additional \$24 million without corresponding reductions in expenditures or increases in other revenues. At the end, the net change in the FY 1995 budget was a \$22.362 million deficit which,

when added to an accumulated deficit of \$324 million, takes us into FY 1996 with an accumulated deficit of \$346.362 million.

To its credit, in two Supplementals, the Council and its Committee of the Whole have cut over \$300 million from the FY 1995 budget which left room for total tax cuts of \$38.6 million which I supported but not of the total \$71.6 million which the Committee of the Whole cut from the property and medical providers taxes.

Similarly, for FY 1996, I recommended a \$15 million reduction in the property tax which together with net committee cuts of \$11.491 million and a revenue increase of \$.8 million for the insurance trust fund transfer recommended by the Committee on Consumer and Regulatory Affairs, would have resulted in a surplus of \$9.280 million. However, the Committee of the Whole voted a \$34 million cut to the property tax and we ended with a \$7.517 million deficit for FY 1996 which, when added to an accumulated deficit of \$346.362 million, takes us into FY 1997 with an accumulated deficit of \$353.879 million.

96BUD2FNL	1
Committee Print	2
Committee of the Whole	3

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A BILL	5
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<u>11-159</u>	6
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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA	7
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To approve the request of the District of Columbia government for the fiscal year ending	9
September 30, 1996, and for other purposes.	10

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this	11
act may be cited as the "Fiscal Year 1996 Budget Request Act".	12

Sec. 2. The Council of the District of Columbia approves the following expenditure	13
levels and appropriation language for the government of the District of Columbia for the fiscal	14
year ending September 30, 1996.	15

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA	16
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For payment to the District of Columbia for the fiscal year ending September 30, 1996,	17
\$660,000,000, as authorized by section 502(a) of the District of Columbia Self-Government and	18
Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, sec. 47-3406.1).	19

FEDERAL CONTRIBUTION TO RETIREMENT FUNDS

For the Federal contribution to the Police Officers and Fire Fighters', Teachers', and Judges' Retirement Funds, as authorized by the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 866; Public Law 96-122), \$52,070,000.

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

GOVERNMENTAL DIRECTION AND SUPPORT

Governmental direction and support, \$91,709,000: Provided, That not to exceed \$2,500 for the Mayor, \$2,500 for the Chairman of the Council of the District of Columbia, and \$2,500 for the City Administrator shall be available from this appropriation for expenditures for official purposes: Provided further, That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia: Provided further, That notwithstanding any other provision of law, there is hereby appropriated from the earnings of the applicable retirement funds \$13,440,000 to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board: Provided further, That the District of Columbia Retirement Board shall provide to the Congress and to the Council of the District of Columbia a quarterly report of the allocations of charges by fund and of expenditures of all funds: Provided further, That the District of Columbia Retirement Board shall provide the Mayor, for transmittal to the Council of the District of Columbia, an item accounting of the planned use of appropriated funds in time for

each annual budget submission and the actual use of such funds in time for each annual audited 1
financial report: Provided further, That no revenues from Federal sources shall be used to support 2
the operations or activities of the Statehood Commission and Statehood Compact Commission: 3
Provided further, That the District of Columbia shall identify the sources of funding for 4
Admission to Statehood from its own locally-generated revenues. 5

ECONOMIC DEVELOPMENT AND REGULATION 6

Economic development and regulation, \$71,163,000: Provided, That the District of 7
Columbia Housing Finance Agency, established by section 201 of the District of Columbia 8
Housing Finance Agency Act, effective March 3, 1979 (D.C. Law 2-135; D.C. Code, sec. 9
45-2111), based upon its capability of repayments as determined each year by the Council of the 10
District of Columbia from the Housing Finance Agency's annual audited financial statements to 11
the Council of the District of Columbia, shall repay to the general fund an amount equal to the 12
appropriated administrative costs plus interest at a rate of four percent per annum for a term of 15 13
years, with a deferral of payments for the first three years: Provided further, That 14
notwithstanding the foregoing provision, the obligation to repay all or part of the amounts due 15
shall be subject to the rights of the owners of any bonds or notes issued by the Housing Finance 16
Agency and shall be repaid to the District of Columbia government only from available operating 17
revenues of the Housing Finance Agency that are in excess of the amounts required for debt 18
service, reserve funds, and operating expenses: Provided further, That upon commencement of 19
the debt service payments, such payments shall be deposited into the general fund of the District 20
of Columbia. 21

PUBLIC SAFETY AND JUSTICE

Public safety and justice, including purchase of 135 passenger-carrying vehicles for replacement only, including 130 for police-type use and five for fire-type use, without regard to the general purchase price limitation for the current fiscal year, \$943,514,000: Provided, That the Metropolitan Police Department is authorized to replace not to exceed 25 passenger-carrying vehicles and the Fire Department of the District of Columbia is authorized to replace not to exceed five passenger-carrying vehicles annually whenever the cost of repair to any damaged vehicle exceeds three-fourths of the cost of the replacement: Provided further, That not to exceed \$500,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: Provided further, That the Metropolitan Police Department shall provide quarterly reports to the Committees on Appropriations of the House and Senate on efforts to increase efficiency and improve the professionalism in the department: Provided further, That notwithstanding any other provision of law, or Mayor's Order 86-45, issued March 18, 1986, the Metropolitan Police Department's delegated small purchase authority shall be \$500,000: Provided further, That the District of Columbia government may not require the Metropolitan Police Department to submit to any other procurement review process, or to obtain the approval of or be restricted in any manner by any official or employee of the District of Columbia government, for purchases that do not exceed \$500,000: Provided further, that \$250,000 is used for the Georgetown Summer Detail: \$200,000 is used for East of the River Detail; \$100,000 is used for Adams Morgan Detail; and \$100,000 is used for the Capitol Hill Summer Detail: Provided further, That the Metropolitan Police Department shall employ an authorized level of sworn officers not to be less than 3,800 sworn officers for the fiscal year ending September 30,

1996: Provided further, That the District of Columbia shall house no more than 1,000 inmates in
its community correctional centers, District operated or contracted, on any given date: Provided
further, That funds appropriated for expenses under the District of Columbia Criminal Justice
Act, approved September 3, 1974 (88 Stat. 1090; Public Law 93-412; D.C. Code, sec. 11-2601 et
seq.), for the fiscal year ending September 30, 1996, shall be available for obligations incurred
under the Act in each fiscal year since inception in the fiscal year 1975: Provided further, That
funds appropriated for expenses under the District of Columbia Neglect Representation Equity
Act of 1984, effective March 13, 1985 (D.C. Law 5-129; D.C. Code, sec. 16-2304), for the fiscal
year ending September 30, 1996, shall be available for obligations incurred under the Act in each
fiscal year since inception in fiscal year 1985: Provided further, That funds appropriated for
expenses under the District of Columbia Guardianship, Protective Proceedings, and Durable
Power of Attorney Act of 1986, effective February 27, 1987 (D.C. Law 6-204; D.C. Code, sec.
21-2060), for the fiscal year ending September 30, 1996, shall be available for obligations
incurred under the Act in each fiscal year since inception in fiscal year 1989: Provided further,
That not to exceed \$1,500 for the Chief Judge of the District of Columbia Court of Appeals,
\$1,500 for the Chief Judge of the Superior Court of the District of Columbia, and \$1,500 for the
Executive Officer of the District of Columbia Courts shall be available from this appropriation
for official purposes: Provided further, That the District of Columbia shall operate and maintain
a free, 24-hour telephone information service whereby residents of the area surrounding Lorton
prison in Fairfax County, Virginia, can promptly obtain information from District of Columbia
government officials on all disturbances at the prison, including escapes, fires, riots, and similar
incidents: Provided further, That the District of Columbia government shall also take steps to

publicize the availability of the 24-hour telephone information service among the residents of the
area surrounding the Lorton prison: Provided further, That not to exceed \$100,000 of this
appropriation shall be used to reimburse Fairfax County, Virginia, and Prince William County,
Virginia, for expenses incurred by the counties during the fiscal year ending September 30, 1996,
in relation to the Lorton prison complex: Provided further, That such reimbursements shall be
paid in all instances in which the District requests the counties to provide police, fire, rescue, and
related services to help deal with escapes, riots, and similar disturbances involving the prison:
Provided further, That the Mayor shall reimburse the District of Columbia National Guard for
expenses incurred in connection with services that are performed in emergencies by the National
Guard in a militia status and are requested by the Mayor, in amounts that shall be jointly
determined and certified as due and payable for these services by the Mayor and the
Commanding General of the District of Columbia National Guard: Provided further, That such
sums as may be necessary for reimbursement to the District of Columbia National Guard under
the preceding proviso shall be available from this appropriation, and the availability of the sums
shall be deemed as constituting payment in advance for emergency services involved.

PUBLIC EDUCATION SYSTEM

Public education system, including the development of national defense education
programs, \$685,667,000 to be allocated as follows: \$503,270,000 for the public schools of the
District of Columbia; \$109,175,000 shall be allocated for the District of Columbia Teachers'
Retirement Fund; \$50,801,000 for the University of the District of Columbia; \$20,479,000 for
the Public Library; \$1,725,000 for the Commission on the Arts and Humanities; and \$217,000
for the Education Licensure Commission: Provided, That the public schools of the District of

Columbia are authorized to accept not to exceed 31 motor vehicles for exclusive use in the driver 1
education program: Provided further, That not to exceed \$2,500 for the Superintendent of 2
Schools, \$2,500 for the President of the University of the District of Columbia, and \$2,000 for 3
the Public Librarian shall be available from this appropriation for expenditures for official 4
purposes: Provided further, That this appropriation shall not be available to subsidize the 5
education of nonresidents of the District of Columbia at the University of the District of 6
Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for 7
the fiscal year ending September 30, 1996, a tuition rate schedule that will establish the tuition 8
rate for nonresidents students at a level no lower than the nonresidents tuition rate charged at 9
comparable public institutions of higher education in the metropolitan area. 10

HUMAN SUPPORT SERVICES

 11

Human support services \$1,094,264,000: Provided, That \$26,000,000 of this 12
appropriation, to remain available until expended, shall be available solely for District of 13
Columbia employees' disability compensation: Provided further, That the District shall not 14
provide free government services such as water, sewer, solid waste disposal or collection, 15
utilities, maintenance, repairs, or similar services to any legally constituted private nonprofit 16
organization (as defined in section 411(5) of Public Law 100-77, approved July 22, 1987) 17
providing emergency shelter services in the District, if the District would not be qualified to 18
receive reimbursement pursuant to the Stewart B. McKinney Homeless Assistance Act, approved 19
July 22, 1987 (101 Stat. 485; Public Law 100-77; 42 U.S.C. 11301 et seq.). 20

PUBLIC WORKS

Public Works, including rental of one passenger-carrying vehicle for use by the Mayor and three passenger-carrying vehicles for use by the Council of the District of Columbia and purchase of passenger-carrying vehicles for replacement only, \$222,393,000: Provided, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business.

WASHINGTON CONVENTION CENTER FUND

For the Washington Convention Center Fund, \$5,400,000.

REPAYMENT OF LOANS AND INTEREST

For reimbursement to the United States of funds loaned in compliance with An Act to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, approved August 7, 1946 (60 Stat. 896; Public Law 79-648); section 1 of An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85-451; D.C. Code, sec. 9-219); section 4 of An Act to authorize the Commissioners of the District of Columbia to plan, construct, operate, and maintain a sanitary sewer to connect the Dulles International Airport with the District of Columbia system, approved June 12, 1960 (74 Stat. 211; Public Law 86-515); sections 723 and 743(f) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973, as amended (87 Stat. 821; Public Law 93-198; D.C. Code, sec. 47-321, note; 91 Stat. 1156; Public Law 95-131; D.C. Code, sec. 9-219, note), including interest as required thereby,

\$285,787,000. 1

REPAYMENT OF GENERAL FUND RECOVERY DEBT 2

For the purpose of eliminating the \$331,589,000 general fund accumulated deficit as of 3
September 30, 1990, \$38,678,000, as authorized by section 461(a) of the District of Columbia 4
Self-Government and Governmental Reorganization Act, approved December 24, 1973, as 5
amended (105 Stat. 540; Public Law 102-106; D.C. Code, sec. 47-321(a)). 6

SHORT-TERM BORROWING 7

For short-term borrowing, \$9,698,000. 8

INCENTIVE BUY OUT PROGRAM 9

For the purpose of funding costs associated with the incentive buy out program, 10
\$8,000,000, to be apportioned by the Mayor of the District of Columbia within the various 11
appropriation headings in this Act from which costs are properly payable. 12

PAY RENEGOTIATION OR REDUCTION IN COMPENSATION 13

The Mayor shall reduce appropriations and expenditures for personal services in the 14
amount of \$46,409,000, by decreasing rates of compensation for District government employees. 15
Such decreased rates are to be realized for employees who are subject to collective bargaining 16
agreements to the extent possible through the renegotiation of existing collective bargaining 17
agreements: Provided, That, if a sufficient reduction for employees who are subject to collective 18
bargaining agreements is not realized through renegotiating existing agreements, the Mayor shall 19
decrease the rates of compensation for such employees, notwithstanding the provisions of any 20
collective bargaining agreements. 21

GOVERNMENT RE-ENGINEERING PROGRAM

The Mayor shall reduce appropriations and expenditures for personal and nonpersonal services in the amount of \$20,000,000 within one or several of the various appropriation headings in this Act.

CAPITAL OUTLAY

For construction projects, \$53,350,000, as authorized by An Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 58-140; D.C. Code, secs. 43-1512 through 43-1519); the District of Columbia Public Works Act of 1954, approved May 18, 1954 (68 Stat. 101; Public Law 83-364); An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85-451; including acquisition of sites, preparation of plans and specifications, conducting preliminary surveys, erection of structures, including building improvement and alteration and treatment of grounds, to remain available until expended: Provided, That \$106,805,000 appropriated under this heading in prior fiscal years is rescinded.

BOARDS AND COMMISSIONS

The Mayor shall reduce appropriations and expenditures for boards and commissions under the various headings in this Act in the amount of \$500,000.

WATER AND SEWER ENTERPRISE FUND

For the Water and Sewer Enterprise Fund, \$222,471,000, of which \$41,036,000 shall be apportioned and payable to the debt service fund for repayment of loans and interest incurred for capital improvement projects.

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

For the Lottery and Charitable Games Enterprise Fund, established by the District of Columbia Appropriation Act for the fiscal year ending September 30, 1982, approved December 4, 1981 (95 Stat. 1174, 1175; Public Law 97-91), as amended, for the purpose of implementing the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172; D.C. Code, secs. 2-2501 et seq. and 22-1516 et seq.), \$8,142,000, to be derived from non-Federal District of Columbia revenues: Provided, That the District of Columbia shall identify the source of funding for this appropriation title from the District's own locally-generated revenues: Provided further, That no revenues from Federal sources shall be used to support the operations or activities of the Lottery and Charitable Games Control Board.

CABLE TELEVISION ENTERPRISE FUND

For the Cable Television Enterprise Fund, established by the Cable Television Communications Act of 1981, effective October 22, 1983 (D.C. Law 5-36; D.C. Code, sec. 43-1801 et seq.), \$2,242,000.

STARPLEX FUND

For the Starplex Fund, an amount necessary for the expenses incurred by the Armory Board in the exercise of its powers granted by An Act To Establish a District of Columbia

Armory Board, and for other purposes, approved June 4, 1948 (62 Stat. 339; D.C. Code, sec. 1
2-301 et seq.) and the District of Columbia Stadium Act of 1957, approved September 7, 1957 2
(71 Stat. 619; Public Law 85-300; D.C. Code, sec. 2-321 et seq.): Provided, That the Mayor 3
shall submit a budget for the Armory Board for the forthcoming fiscal year as required by section 4
442(b) of the District of Columbia Self-Government and Governmental Reorganization Act, 5
approved December 24, 1973 (87 Stat. 824; Public Law 93-198; D.C. Code, sec. 47-301(b)). 6

GENERAL PROVISIONS 7

Sec. 101. The expenditure of any appropriation under this Act for any consulting service 8
through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts 9
where such expenditures are a matter of public record and available for public inspection, except 10
where otherwise provided under existing law, or under existing Executive order issued pursuant 11
to existing law. 12

Sec. 102. Except as otherwise provided in this Act, all vouchers covering expenditures of 13
appropriations contained in this Act shall be audited before payment by the designated certifying 14
official and the vouchers as approved shall be paid by checks issued by the designated disbursing 15
official. 16

Sec. 103. Whenever in this Act, an amount is specified within an appropriation for 17
particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be 18
considered as the maximum amount that may be expended for said purpose or object rather than 19
an amount set apart exclusively therefor. 20

Sec. 104. Appropriations in this Act shall be available, when authorized by the Mayor, 21
for allowances for privately owned automobiles and motorcycles used for the performance of 22

official duties at rates established by the Mayor: Provided, That such rates shall not exceed the
maximum prevailing rates for such vehicles as prescribed in the Federal Property Management
Regulations 101-7 (Federal Travel Regulations).

Sec. 105. Appropriations in this Act shall be available for expenses of travel and for the
payment of dues of organizations concerned with the work of the District of Columbia
government, when authorized by the Mayor: Provided, That the Council of the District of
Columbia and the District of Columbia Courts may expend such funds without authorization by
the Mayor.

Sec. 106. There are appropriated from the applicable funds of the District of Columbia
such sums as may be necessary for making refunds and for the payment of judgments that have
been entered against the District of Columbia government: Provided, That nothing contained in
this section shall be construed as modifying or affecting the provisions of section 11(c)(3) of title
XII of the District of Columbia Income and Franchise Tax Act of 1947, approved March 31,
1956 (70 Stat. 78; Public Law 84-460; D.C. Code, sec. 47-1812.11(c)(3)).

Sec. 107. Appropriations in this Act shall be available for the payment of public
assistance without reference to the requirement of section 544 of the District of Columbia Public
Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C. Code, sec. 3-205.44), and
for the non-Federal share of funds necessary to qualify for Federal assistance under the Juvenile
Delinquency Prevention and Control Act of 1968, approved July 31, 1968 (82 Stat. 462; Public
Law 90-445; 42 U.S.C. 3801 et seq.).

Sec. 108. No part of any appropriation contained in this Act shall remain available for
obligation beyond the current fiscal year unless expressly so provided herein.

Sec. 109. No funds appropriated in this Act for the District of Columbia government for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the availability of school buildings for the use of any community or partisan political group during non-school hours.

Sec. 110. The annual budget for the District of Columbia government for the fiscal year ending September 30, 1997, shall be transmitted to the Congress no later than April 15, 1996.

Sec. 111. None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name, title, grade, salary, past work experience, and salary history are not available for inspection by the House and Senate Committees on Appropriations, the House Committee on Government Reform and Oversight, the District of Columbia Subcommittee, the Subcommittee on General Services, Federalism, and the District of Columbia of the Senate Committee on Governmental Affairs, and the Council of the District of Columbia, or their duly authorized representative: Provided, That none of the funds contained in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name and salary are not available for public inspection.

Sec. 112. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making payments authorized by the District of Columbia Revenue Recovery Act of 1977, effective September 23, 1977 (D.C. Law 2-20; D.C. Code, sec. 47-421 et seq.).

Sec. 113. No part of this appropriation shall be used for publicity or propaganda purposes of implementation of any policy including boycott designed to support of defeat

legislation pending before Congress of any State legislature. 1

Sec. 114. At the start of the fiscal year, the Mayor shall develop an annual plan, by 2
quarter and by project, for capital outlay borrowings: Provided, That within a reasonable time 3
after the close of each quarter, the Mayor shall report to the Council of the District of Columbia 4
and the Congress the actual borrowing and spending progress compared with projections. 5

Sec. 115. The Mayor shall not borrow any funds for capital projects unless the Mayor 6
has obtained prior approval from the Council of the District of Columbia, by resolution, 7
identifying the projects and amounts to be financed with such borrowings. 8

Sec. 116. The Mayor shall not expend any moneys borrowed for capital projects for the 9
operating expenses of the District of Columbia government. 10

Sec. 117. None of the funds appropriated by this Act may be obligated or expended by 11
reprogramming except pursuant to advance notice of the reprogramming transmitted to the 12
House and Senate Committees on Appropriations, and in accordance with the Reprogramming 13
Policy Act of 1980, effective September 16, 1980 (D.C. Law 3-100; D.C. Code, sec. 47-361 et 14
seq.). 15

Sec. 118. None of the Federal funds provided in this Act shall be obligated or expended 16
to provide a personal cook, chauffeur, or other personal servants to any officer or employee of 17
the District of Columbia. 18

Sec. 119. None of the Federal funds provided in this Act shall be obligated or expended 19
to procure passenger automobiles as defined in the Automobile Fuel Efficiency Act of 1980, 20
approved October 10, 1980 (94 Stat. 1824; Public Law 96-425; 15 U.S.C. 2001(2)), with an 21
Environmental Protection Agency estimated miles per gallon average of less than 22 miles per 22

gallon: Provided, That this section shall not apply to security, emergency rescue, or armored vehicles. 1 2

Sec. 120. (a) Notwithstanding section 422(7) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(7)), the City Administrator shall be paid, during any fiscal year, a salary at a rate established by the Mayor, not to exceed the rate established for level IV of the Executive Schedule under 5 U.S.C. 5315. 3 4 5 6 7

(b) For purposes of applying any provision of law limiting the availability of funds for payment of salary or pay in any fiscal year, the highest rate of pay established by the Mayor under subsection (a) of this section for any position for any period during the last quarter of calendar year 1995 shall be deemed to be the rate of pay payable for that position for September 30, 1995. 8 9 10 11 12

(c) Notwithstanding section 4(a) of the District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 793; Public Law 79-592; D.C. Code, sec. 5-803(a)), the Board of Directors of the District of Columbia Redevelopment Land Agency shall be paid, during any fiscal year, per diem compensation at a rate established by the Mayor. 13 14 15 16

Sec. 121. Notwithstanding any other provisions of law, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code, sec. 1-601.1 et seq.), enacted pursuant to section 422(3) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(3)), shall apply with respect to the compensation of District of Columbia employees: Provided, That for pay 17 18 19 20 21 22

purposes, employees of the District of Columbia government shall not be subject to the 1
provisions of title 5 of the United States Code. 2

Sec. 122. The Director of the Department of Administrative Services may pay rentals 3
and repair, alter, and improve rented premises, without regard to the provisions of section 322 of 4
the Economy Act of 1932 (Public Law 72-212; 40 U.S.C. 278a), upon a determination by the 5
Director, that by reason of circumstances set forth in such determination, the payment of these 6
rents and the execution of this work, without reference to the limitations of section 322, is 7
advantageous to the District in terms of economy, efficiency, and the District's best interest. 8

Sec. 123. No later than 30 days after the end of the first quarter of the fiscal year ending 9
September 30, 1996, the Mayor of the District of Columbia shall submit to the Council of the 10
District of Columbia the new fiscal year 1996 revenue estimates as of the end of the first quarter 11
of fiscal year 1996. These estimates shall be used in the budget request for the fiscal year ending 12
September 30, 1997. The officially revised estimates at midyear shall be used for the midyear 13
report. 14

Sec. 124. Section 466(b) of the District of Columbia Self-Government and 15
Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 806; Public 16
Law 93-198; D.C. Code, sec. 47-326), as amended, is amended by striking "sold before October 17
1, 1995" and inserting "sold before October 1, 1996". 18

Sec. 125. No sole source contract with the District of Columbia government or any 19
agency thereof may be renewed or extended without opening that contract to the competitive 20
bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act 21
of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. Code, sec. 1-1183.3), except that the 22

District of Columbia Public Schools may renew or extend sole source contracts for which
competition is not feasible or practical, provided that the determination as to whether to invoke
the competitive bidding process has been made in accordance with duly promulgated Board of
Education rules and procedures.

Sec. 126. For purposes of the Balanced Budget and Emergency Deficit Control Act of
1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended, the term
"program, project, and activity" shall be synonymous with and refer specifically to each account
appropriating Federal funds in this Act, and any sequestration order shall be applied to each of
the accounts rather than to the aggregate total of those accounts: Provided, That sequestration
orders shall not be applied to any account that is specifically exempted from sequestration by the
Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99
Stat. 1037; Public Law 99-177), as amended.

Sec. 127. In the event a sequestration order is issued pursuant to the Balanced Budget
and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public
Law 99-177), as amended, after the amounts appropriated to the District of Columbia for the
fiscal year involved have been paid to the District of Columbia, the Mayor of the District of
Columbia shall pay to the Secretary of the Treasury, within 15 days after receipt of a request
thereof from the Secretary of the Treasury, such amounts as are sequestered by the order:
Provided, That the sequestration percentage specified in the order shall be applied
proportionately to each of the Federal appropriation accounts in this Act that are not specifically
exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of
1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended.

Sec. 128. For the fiscal year ending September 30, 1996, the District of Columbia shall
pay interest on its quarterly payments to the United States that are made more than 60 days from
the date of receipt of an itemized statement from the Federal Bureau of Prisons of amounts due
for housing District of Columbia convicts in Federal penitentiaries for the preceding quarter.

Sec. 129. Nothing in this Act shall be construed to authorize any office, agency or entity
to expend funds for programs or functions for which a reorganization plan is required but has not
been approved by the Council pursuant to section 422(12) of the District of Columbia
Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973
(87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(12)), and the Governmental
Reorganization Procedures Act of 1981, effective October 17, 1981 (D.C. Law 4-42; D.C. Code,
secs. 1-299.1 to 1.299.7). Appropriations made by this Act for such programs or functions are
conditioned on the approval by the Council, prior to October 1, 1995, of the required
reorganization plans.

Sec. 130. (a) An entity of the District of Columbia government may accept and use a gift
or donation during fiscal year 1996 if-

(1) the Mayor approves the acceptance and use of the gift or donation: Provided,
That the Council of the District of Columbia may accept and use gifts without prior approval by
the Mayor; and

(2) the entity uses the gift or donation to carry out its authorized functions or
duties.

(b) Each entity of the District of Columbia government shall keep accurate and detailed
records of the acceptance and use of any gift or donation under subsection (a) of this section, and

shall make such records available for audit and public inspection. 1

(c) For the purposes of this section the term "entity of the District of Columbia 2
government" includes an independent agency of the District of Columbia. 3

(d) This section shall not apply to the District of Columbia Board of Education, which 4
may, pursuant to the laws and regulations of the District of Columbia, accept and use gifts to the 5
public schools without prior approval by the Mayor. 6

Sec. 131. None of the Federal funds provided in this Act may be used by the District of 7
Columbia to provide for salaries, expenses, or other costs associated with the offices of United 8
States Senator or United States Representatives under section 4(d) of the District of Columbia 9
Statehood Constitutional Convention Initiatives of 1979, effective March 10, 1981 (D.C. Law 3- 10
171; D.C. Code, sec. 1-113(d)). 11

Sec. 132. None of the Federal funds appropriated under this Act shall be expended for 12
any abortion except when it is made known to the entity or official to which funds are 13
appropriated under this Act that such procedure is necessary to save the life of the mother or that 14
the pregnancy is the result of an act of rape or incest. 15

**COMPENSATION FOR THE COMMISSION ON JUDICIAL DISABILITIES AND 16
TENURE AND FOR THE JUDICIAL NOMINATION COMMISSION 17**

Sec. 133. Sections 431(f) and 433(b)(5) of the District of Columbia Self-Government 18
and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; Public Law 19
93-198; D.C. Code, secs. 11-1524 and Title 11, App. 433), are amended as follows: 20

(a) Section 431(f) (D.C. Code, sec. 11-1524) is amended to read as follows: 21

"(f) Members of the Tenure Commission shall serve without compensation for services 22

rendered in connection with their official duties on the Commission." 1

(b) Section 433(b)(5) (Title 11, App. 433) is amended to read as follows: 2

"(5) Members of the Commission shall serve without compensation for services 3
rendered in connection with their official duties on the Commission." 4

MULTIYEAR CONTRACTS 5

Sec. 134. Section 451 of the District of Columbia Self-Government and Governmental 6
Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 803; Public Law; D.C. Code, 7
sec. 1-1130), is amended by designating the existing text as subsection (a) and by adding a new 8
subsection (b) to read as follows: 9

"(b)(1) The District may enter into multiyear contracts to obtain goods and services for 10
which funds would otherwise be available for obligation only within the fiscal year for which 11
appropriated. 12

"(2) If the funds are not made available for the continuation of such a contract 13
into a subsequent fiscal year, the contract shall be cancelled or terminated, and the cost of 14
cancellation or termination may be paid from: 15

"(A) appropriations originally available for the performance of the 16
contract concerned; 17

"(B) appropriations currently available for procurement of the type of 18
acquisition covered by the contract, and not otherwise obligated; or 19

"(C) funds appropriated for those payments. 20

"(3) No contract entered into under this section shall be valid unless the Council, 21
by a two-thirds vote of its members present and voting, authorizes such contract by resolution. 22

Such contract shall be made pursuant to criteria established by act of the Council.".

COLLECTION OF TAX ON SALES AT SMITHSONIAN INSTITUTION

Sec. 135. Notwithstanding any other provision of law, beginning 60 days after the effective date of this Act, all entities which comprise the Smithsonian Institution including, but not limited to, museums, zoological parks, performing arts centers and other institutions, shall collect District of Columbia sales tax from purchasers at the applicable rate on all retail sales, as defined by section 114(a) of the District of Columbia Sales Tax Act, approved May 27, 1949 (63 Stat. 112; D.C. Code, sec. 47-2001 (n)(1)), except those sales exempt pursuant to section 128 of the District of Columbia Sales Tax Act, approved May 27, 1949 (63 Stat. 115; D.C. Code, sec. 47-2005), made in the District of Columbia or made by mail to purchasers in the District of Columbia, and shall remit the sales tax in the same manner and at the same time prescribed by sections 135, 136 and 137 of the District of Columbia Sales Tax Act, approved May 27, 1949 (63 Stat. 118; D.C. Code, secs. 47-2015, 47-2016 and 47-2017), for other vendors required to collect and remit District of Columbia sales tax.

PRISON INDUSTRIES

Sec. 136. Title 18 U.S.C. 1761(b) is amended by striking the period at the end and inserting the phrase "or not-for-profit organizations." in its place.

REPORTS ON REDUCTIONS

Sec. 137. Within 120 days of the effective date of this Act, the Mayor shall submit to the Council a report delineating the actions taken by the executive to effect the directives of the Council in this Act, including:

- (1) negotiations with representatives of collective bargaining units to reduce

employee compensation; 1

(2) actions to restructure existing long-term city debt; 2

(3) actions to apportion the spending reductions anticipated by the directives of 3

this Act to the executive for unallocated reductions; and 4

(4) a list of any position that is backfilled including description, title, and salary 5

of the position. 6

REVIEW OF NON-BID CONTRACTS 7

Sec. 138. (a) The Mayor shall not award the following types of contracts until after the 8

Council has approved the proposed contract award as provided in this section: 9

(1) any contract for goods or services worth over \$1,000,000 and any contract for 10

any sum which, when added to other contracts awarded to the same contractor for the same 11

or similar purposes within a fiscal year, exceeds \$1,000,000 in contracts with the same 12

contractor, except: (A) contracts awarded under the "competitive sealed bidding" provisions 13

pursuant to section 303 of the District of Columbia Procurement Practices Act of 1985, effective 14

February 21, 1986 (D.C. Law 6-85; D.C. Code, sec. 1-1183.3); or (B) contracts to implement a 15

Federal program where Federal law governs contracting procedures as a condition 16

for the receipt of Federal assistance; and 17

(2) any contract to provide goods or services, to or on behalf of the District of 18

Columbia, which currently are or traditionally have been provided by employees, departments, or 19

agencies of the District of Columbia. 20

(b) Prior to the award of a contract covered by this section, the Mayor shall submit a 21

proposed contract award to the Council. The proposed contract award shall be deemed approved 22

7 calendar days, excluding days of Council recess, after the proposal has been officially
introduced in the Council according to its rules, unless during that time, an objection to the
proposed award, by at least 3 members of the Council, is filed in the Office of the Secretary to
the Council.

(c) If an objection to the proposed contract award is filed, the proposed award shall be
deemed approved 21 calendar days, excluding days of Council recess, after the proposed award
was officially introduced in the Council, unless during that time, the Council adopts a resolution
disapproving the proposed award.

(d) The Council may approve or disapprove a proposed contract award by resolution
prior to the expiration of the time periods provided in this section.

(e) The approval required by this section shall be a condition precedent to the existence
of a District of Columbia contract described in subsection (a) of this section. No contractor may
undertake any work, and no District officer or employee may obligate or expend funds, with
respect to the performance of a proposed contract prior to Council approval under this section.

MONTHLY REPORTING REQUIREMENTS -- BOARD OF EDUCATION

Sec. 139. The Board of Education shall submit to the Congress, Mayor, and Council of
the District of Columbia no later than fifteen (15) calendar days after the end of each month a
report that sets forth:

(1) current month expenditures and obligations, year-to-date expenditures and
obligations, and total fiscal year expenditure projections vs. budget broken out on the basis of
control center, responsibility center, ARC, and object class, and for appropriated funds, non-
appropriated funds, and capital financing;

- (2) a breakdown of FTE positions and staff for the most current pay period broken out on the basis of control center, responsibility center, and ARC within each responsibility center, for appropriated funds, non-appropriated funds, and capital funds;
- (3) a list of each account for which spending is frozen and the amount of funds frozen, broken out by control center, responsibility center, detailed object, and ARC, and for all funding sources;
- (4) a list of all active contracts in excess of \$10,000 annually, which contains: the name of each contractor; the budget to which the contract is charged broken out on the basis of control center, responsibility center, and ARC; and contract identifying codes used by the D.C. Public Schools; payments made in the last month and year-to-date, the total amount of the contract and total payments made for the contract and any modifications, extensions, renewals; and specific modifications made to each contract in the last month;
- (5) all reprogramming requests and reports that are required to be, and have been, submitted to the Board of Education; and
- (6) changes made in the last month to the organizational structure of the D.C. Public Schools, displaying previous and current control centers and responsibility centers, the names of the organizational entities that have been changed, the name of the staff member supervising each entity affected, and the reasons for the structural change.

**MONTHLY REPORTING REQUIREMENTS --
UNIVERSITY OF THE DISTRICT OF COLUMBIA**

Sec. 140. The University of the District of Columbia shall submit to the Congress, Mayor, and Council of the District of Columbia no later than fifteen (15) calendar days after the

end of each month a report that sets forth:	1
(1) current month expenditures and obligations, year-to-date expenditures and	2
obligations, and total fiscal year expenditure projections vs. budget broken out on the basis of	3
control center, responsibility center, and object class, and for appropriated funds, non-	4
appropriated funds, and capital financing;	5
(2) a breakdown of all FTE positions and all employees for the most current pay	6
period broken out on the basis of control center and responsibility center, for appropriated funds	7
and non-appropriated funds, and capital funds;	8
(3) a list of each account for which spending is frozen and the amount of funds	9
frozen, broken out by control center, responsibility center, detailed object, and for all funding	10
sources;	11
(4) a list of all active contracts in excess of \$10,000 annually, which contains: the	12
name of each contractor; the budget to which the contract is charged broken out on the basis of	13
control center and responsibility center, and contract identifying codes used by the University of	14
the District of Columbia; payments made in the last month and year-to-date, the total amount of	15
the contract and total payments made for the contract and any modifications, extensions,	16
renewals; and specific modifications made to each contract in the last month;	17
(5) all reprogramming requests and reports that have been made by the University	18
of the District of Columbia within the last month in compliance with applicable law; and	19
(6) changes made in the last month to the organizational structure of the	20
University of the District of Columbia, displaying previous and current control centers and	21
responsibility centers, the names of the organizational entities that have been changed, the name	22

of the staff member supervising each entity affected, and the reasons for the structural change. 1

ANNUAL REPORTING REQUIREMENTS 2

Sec. 141. (a) The Board of Education of the District of Columbia and the University of 3
the District of Columbia shall annually compile an accurate and verifiable report on the positions 4
and employees in the public school system and the university, respectively. The annual report 5
shall set forth: 6

(1) the number of validated schedule A positions in the District of Columbia 7
Public Schools and the University of the District of Columbia for fiscal year 1995, fiscal year 8
1996, and thereafter on a full-time equivalent basis, including a compilation of all positions by 9
control center, responsibility center, funding source, position type, position title, pay plan, grade, 10
and annual salary; and 11

(2) a compilation of all employees in the District of Columbia Public Schools and 12
the University of the District of Columbia as of the preceding December 31, verified as to its 13
accuracy in accordance with the functions that each employee actually performs, by control 14
center, responsibility center, agency reporting code, program (including funding source), activity, 15
location for accounting purposes, job title, grade and classification, annual salary, and position 16
control number. 17

(b) The annual report required by subsection (a) of this section shall be submitted to the 18
Congress, the Mayor and Council of the District of Columbia, by not later than February 8 of 19
each year. 20

ANNUAL BUDGETS AND BUDGET REVISIONS

Sec. 142. (a) Not later than October 1, 1995, or within 15 calendar days after the date of the enactment of the District of Columbia Appropriations Act, 1995, whichever occurs first, and each succeeding year, the Board of Education and the University of the District of Columbia shall submit to the Congress, the Mayor, and Council of the District of Columbia, a revised appropriated funds operating budget for the public school system and the University of the District of Columbia for such fiscal year that is in the total amount of the approved appropriation and that realigns budgeted data for personal services and other-than-personal services, respectively, with anticipated actual expenditures.

(b) The revised budget required by subsection (a) of this section shall be submitted in the format of the budget that the Board of Education and the University of the District of Columbia submit to the Mayor of the District of Columbia for inclusion in the Mayor's budget submission to the Council of the District of Columbia pursuant to section 442 of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, sec. 47-301).

BUDGET APPROVAL

Sec. 143. The Board of Education, the Board of Trustees of the University of the District of Columbia, the Board of Library Trustees, and the Board of Governors of the D.C. School of Law shall vote on and approve their respective annual or revised budgets before submission to the Mayor of the District of Columbia for inclusion in the Mayor's budget submission to the Council of the District of Columbia in accordance with section 442 of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C.

Code, sec. 47-301), or before submitting their respective budgets directly to the Council. 1

PUBLIC SCHOOL EMPLOYEE EVALUATIONS 2

Sec. 144. Notwithstanding any other provision of law, rule, or regulation, the evaluation 3
process and instruments for evaluating District of Columbia Public Schools employees shall be a 4
non-negotiable item for collective bargaining purposes. 5

RELOCATION OF THE BOARD OF EDUCATION 6 **FROM THE PRESIDENTIAL BUILDING** 7 8

Sec. 145. For the fiscal year ending September 30, 1996, and thereafter, no funds made 9
available pursuant to any provision of this Act or any other funding source shall be used to: 10

(1) pay for the relocation of the Board of Education or any entity of the District 11
of Columbia Public Schools from the Presidential Building, 415 12th Street, Northwest, to any 12
other site; or 13

(2) pay for any relocation costs associated with the move of the Board of 14
Education or any entity of the District of Columbia Public Schools from the Presidential 15
Building to another site. 16

POSITION VACANCIES 17

Sec. 146. (a) No agency, including an independent agency, shall fill a position wholly 18
funded by appropriations authorized by this Act, which is vacant on October 1, 1995, or becomes 19
vacant between October 1, 1995, and September 30, 1996, unless the Mayor submits a proposed 20
resolution of intent to fill the vacant position to the Council. If the Council does not disapprove 21
within 30 days, the filling of the vacant position, the position shall be deemed approved. 22

(b) This section shall not prohibit the appropriate personnel authority from filling a 23

vacant position with a District government employee currently occupying a position that is 1
funded with appropriated funds. 2

CAPITAL PROJECT EMPLOYEES 3

Sec. 147. (a) Not later than 15 days after the end of every fiscal quarter (beginning 4
October 1, 1995), the Mayor shall submit to the Council a report with respect to the employees 5
on the capital project budget for the previous quarter. 6

(b) Each report submitted pursuant to subsection (a) of this section shall include the 7
following information: 8

(1) a list of all employees by position, title, grade and step; 9

(2) a job description, including the capital project for which each employee is 10
working; 11

(3) the date that each employee began working on the capital project and the 12
ending date that each employee completed or is projected to complete work on the capital 13
project; and 14

(4) a detailed explanation justifying why each employee is being paid with capital 15
funds. 16

Sec. 3. This Act shall take effect as provided in section 446 of the District of Columbia 17
Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 18
801; D.C. Code, sec. 47-304.) and section 208 of the District of Columbia Financial 19
Responsibility and Management Assistance Act of 1995. 20